

Administrative Circular

Commonwealth of Pennsylvania
Governor's Office

12-04
Number

Subject: Closing Instruction No. 2, Fiscal Year 2011-12; Pre-closing at May 14, 2012	Date: April 5, 2012
By Direction of:  Charles B. Zogby, Secretary of the Budget	Expiration Date: April 5, 2013
Contact Agency: Office of the Budget, Office of Comptroller Operations, Bureau of Financial Management, Telephone 717.425.6740	

The date for commencement of the annual pre-closing of agency accounting records for fiscal year 2011-12 is May 14, 2012.

The pre-closing process applies to all state (ledgers 1X and 2X) and federal (ledgers 7X and 8X) appropriations, and executive authorizations within the General Fund and other COPA funds. For agencies using SAP, all legally valid commitments against 2011-12 accounts must be recorded in the SAP R/3 accounting records in accordance with [Management Directive 310.3, Encumbering and Lapsing of Appropriations](#).

On May 14, the Office of Administration, Office for Information Technology, Bureau of Integrated Enterprise System (IES), Budget Team will post all available balances in prior year funds as pending lapse amounts, unless a waiver has been approved for a fund. The pending lapse funds may be liquidated for documented needs using SAP transaction code FMBB (Budgeting Workbench – Process: Transfer) by preparing a transfer from budget type 5000 (pending lapse) to budget type 9000 (carryforward), which will require Office of Comptroller Operations, Bureau of Commonwealth Accounting (BCA) workflow approval. For all current year state (ledgers 1X and 2X) and federal (ledgers 7X and 8X) appropriations, and executive authorizations within the General Fund and other COPA funds, agency fiscal officers will project expenditures through June 30 and add the unneeded budget balances to the pending lapse using SAP transaction code FMBB (Budgeting Workbench – Process: Transfer) to prepare a transfer from budget type 1000 (appropriated) to budget type 5000 (pending lapse); this will require BCA workflow approval. Additional issues regarding the posting of pending lapse amounts should be directed to the Office of the Budget, Governor’s Budget Office (GBO).

Agency fiscal officers and Office of Comptroller Operations representatives will be notified by IES when the pending lapse amounts have been posted for their respective business areas. Final lapse amounts will be processed at the direction of GBO.

In SAP R/3, all estimated federal and nonfederal transfers and estimated augmentations should be compared to the actual transfers and actual augmentations received by each fund. In budget types 2000 (estimated augmentations), 3000 (federal transfers), and 4000 (nonfederal transfers), the estimates must be reviewed to determine if outstanding amounts will be collected in fiscal year 2011-12. This monitoring and alignment activity should be done throughout the months of May and June, rather than waiting until fiscal year-end.

A budget return should be processed using SAP transaction code FMBB (Budgeting Workbench – Process: Return) for all estimated augmentations and transfers that will not materialize in fiscal year 2011-12. If the estimated augmentations or transfer amount is less than the actual augmentations or transfers received by a fund, the actual amount should be reviewed to determine if additional budget should be requested to enable the money to be expended during 2011-12. **All estimates must equal actuals before the fiscal year is closed on June 30, unless approval is granted by GBO for actual revenues to exceed the estimate based on the expectation that the additional revenues will be transferred to the subsequent fiscal year after June 30.** In no other case should the estimated and actual augmentations/transfers be unequal at fiscal year-end.

For ledgers 7X and 8X SAP funds, adjustments to prior year federal accounts required to bring them into balance prior to June 30 will be executed by BCA staff in SAP R/3, after consultation with the respective agency.

Agency fiscal officers and BCA staff should be aware that any liquidation of commitments during the month of June that results in unneeded funds will require a manually-prepared pending lapse transfer using SAP transaction code FMBB (Budgeting Workbench – Process: Transfer) to increase the pending lapse amount. Pending lapses that exist at the end of June will automatically lapse on June 30.

Negative balances are not permitted in SAP R/3 at the SAP fund level for funds with active availability control. If a transaction results in a hard stop due to insufficient available balance, appropriate accounting or budgetary actions must be taken immediately to continue processing the transaction.