



STATE OF NEW YORK  
**UNIFIED COURT SYSTEM**  
OFFICE OF MANAGEMENT SUPPORT  
AGENCY BLDG. 4 - 19TH FLOOR  
4 ESP, SUITE 2001  
EMPIRE STATE PLAZA  
ALBANY, NEW YORK 12223-1450  
(518) 474-4971

**JONATHAN LIPPMAN**  
Chief Administrative Judge

**BARRY A. COZIER**  
Deputy Chief Administrative Judge

**WILLIAM CLAPHAM**  
Director of Financial Management  
and Audit Services

BUDGET BULLETIN	NUMBER 297	February 6, 1997
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TO: Holders of the Financial Planning and Control Manual

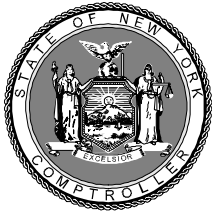
SUBJECT: Fiscal Year End Contracting and Payment Procedures

Attached is a copy of OSC Procurement and Disbursements Guidelines Bulletin number G-163, dated February 3, 1997. This bulletin serves as a reminder of the liability date provisions applicable to the processing of contracts, purchase orders and payments which may occur prior to, after, or overlap fiscal years. **These procedures have particular implications relative to encumbrances and payments processed in any fiscal year in which new year budget appropriations are not in place by April 1.**

Generally, liabilities properly incurred through March 31 of any given fiscal year are properly chargeable to the current fiscal year appropriation in force. For these purposes, liabilities properly incurred are defined as those for which services have been performed, goods delivered, or goods have been ordered up to or including March 31. Limited exceptions may include federal special revenue funds for which specific appropriation authority extends beyond March 31.

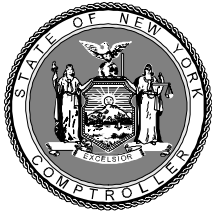
Please ensure the distribution of this bulletin to a personnel within your respective jurisdictions whose responsibilities may include the processing of, or the monitoring of internal controls relating to, UCS encumbrances and/or expenditures.

NYS UNIFIED COURT SYSTEM  
FOR FPCM APPROVAL  
*William L. Clapham*  
William L. Clapham



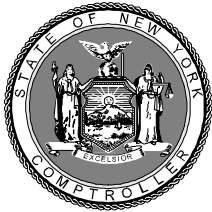
## PROCUREMENT AND DISBURSEMENT GUIDELINES

<b>Subject: Contracting and Payment Procedures for the Fiscal Year End</b>	<b>Bulletin No.: G-163</b>	<b>Date: 2/3/97</b>
<p><b><u>Purpose:</u></b></p> <p>This bulletin outlines the procedures to be followed by state agencies and the Office of the State Comptroller in the processing of contracts, purchase orders and payments that occur before, after, or overlap the end of one fiscal year and the beginning of the next. These procedures will also apply when a State budget is not in place by April 1 of any succeeding fiscal year.</p> <p>Liabilities incurred through March 31 generally represent services completed, goods delivered, or goods properly ordered through March 31. In the absence of an approved State budget, contracts, purchase orders, and vouchers generally cannot be approved by OSC for liabilities incurred after March 31. Exceptions are SUNY, CUNY, special revenue funds type - federal, and agencies receiving specific appropriation authority extending beyond March 31.</p> <p>This bulletin does not apply to contracts or projects funded by the Community Projects Fund (see State Finance Law §99-d.) Contracts or projects funded by the Community Projects Fund contain 007 coding after the applicable appropriations. Any contract or project funded by the Community Projects Fund is addressed by Budget Bulletin B-1156.</p> <p><b><u>Contract and All-Copy Purchase Order Approval</u></b></p> <ol style="list-style-type: none"><li>1. New contracts, including construction, services, commodities, leases, land claims, etc., and contract amendments (including construction change orders) with start and end dates prior to April 1, as well as all-copy purchase orders for goods and services properly ordered and delivered prior to April 1, can be approved. The full amount of the liability must be encumbered and charged to the proper fiscal year appropriation or re-appropriation.</li></ol>		



# PROCUREMENT AND DISBURSEMENT GUIDELINES

Subject: Contracting and Payment Procedures for the Fiscal Year End	Bulletin No.: G-163	Date: 2/3/97
<p>2. Contracts and amendments with start and end dates that overlap two fiscal years can be approved. Only the contract liability amount expected to be incurred through March 31 must be encumbered. (<b>Note:</b> <u>Except for Capital Construction Project contracts, liabilities anticipated to occur in a subsequent fiscal year cannot be encumbered until the appropriation for that respective fiscal year is enacted.</u>)</p> <p>3. All-copy purchase orders, which are properly issued on or before March 31, but for which delivery will occur in the succeeding fiscal year, can be approved. (<b>Note:</b> <u>The mere occurrence of the bid opening does not constitute a properly issued purchase order.</u>) These are generally one-time purchases where it can reasonably be expected that some time will lapse between the date the goods are ordered and the date delivery is made and the goods accepted. The full amount of the purchase order liability must be encumbered. (<b>Note exception:</b> <u>Goods generally considered to be normal operating expenses (i.e., postage, office supplies, consumable products, and travel expenses) of the agency will not be approved. These should be paid for with new fiscal year appropriations.</u>)</p> <p>4. Contracts and amendments with start dates after March 31, as well as all-copy purchase orders issued after March 31, cannot be approved until the necessary appropriation is enacted. Agencies may continue to submit contracts and amendments to be audited without an AC340. However, OSC approval will be withheld until a new State budget is enacted and the applicable fiscal year appropriation or re-appropriation is properly encumbered on an AC340. All-copy purchase orders should not be submitted until the budget is enacted.</p>		
<b><u>Voucher Approval</u></b>		
<p>1. Vouchers for services completed and/or goods delivered prior to April 1 can be approved. Vouchers may continue to be processed through the appropriate lapse period that applies to the appropriation.</p> <p>2. Vouchers for services performed after March 31 cannot be approved.</p> <p>3. Vouchers for services performed on or before March 31, under a contract which overlaps two fiscal years, can be approved. Vouchers for the portion of services prior to April 1 may continue to be processed through the appropriate lapse period.</p> <p>4. Vouchers for goods or services ordered and delivered after March 31 cannot be approved.</p>		



## PROCUREMENT AND DISBURSEMENT GUIDELINES

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<p>5. Vouchers for goods properly ordered prior to April 1 to be delivered after March 31, and which were anticipated to be paid for out of prior year appropriations can be approved. These are generally one time purchases where it can be reasonably expected that some time will lapse between the date the goods are ordered and the date delivery is made and the goods accepted. Vouchers may continue to be processed through the appropriate lapse period. <b>(Note exception: Vouchers for goods generally considered to be normal operating expenses [i.e., postage, office supplies, consumable products, travel expenses, etc.] of the agency will not be approved. These should be paid for with new fiscal year appropriations.)</b></p> <p>6. Agencies should not process new fiscal year operating expenses through the Quick Pay process, or their respective advance accounts, until a budget has been enacted. OSC will monitor these payment processes for compliance. Non-compliance may result in the loss of agency Quick Pay authority, reduction in advance account balance, or other payment restrictions.</p>		