

Y-Voucher Certification

An invoice is the evidence of an obligation for the State of Arkansas cash-basis budget system. Agencies must certify that funds and appropriation were available as of June 30 if invoices are dated prior to July 1 for materials or services received prior to July 1 but payment is not made until the next fiscal year. (The date of the invoice determines whether certification is required, not the receipt of goods.) In the past, this certification process was often referred to as a “Y-voucher.”

Certification of Prior Year Obligations:

Certification Letter -

Prior year obligations must be certified by the disbursing officer with a certification letter. With the certification letter, the disbursing officer is stating that the expenditures have been reviewed, the cumulative amount of all prior-year invoices processed have been monitored and the invoices have not exceeded the balances available as of June 30 of the prior year. A certification letter must be retained by each agency listing the invoice(s) to be paid. The letter will designate the appropriate business area (agency), funds center (appropriation), commitment item (character code) and fund (cash in Treasury or cash in bank). Each certification letter will state the funds center and fund codes and that the balance of each for the previous year was sufficient to pay the invoice. The certification letter will be retained at the agency for review by the Division of Legislative Audit of the Legislative Joint Auditing Committee and other interested parties.

Exempt from Certification -

There are several circumstances when the certification process is not necessary. However, the invoices must still be coded as a “Y” invoice when the payment is made in the next fiscal year. Items paid from reappropriations, grant payments, construction appropriations and employee matching payments (insurance, social security, retirement, when the payroll which created the obligation doesn’t require certification, etc.) do not require certification. Items that, because of the billing methods, contain charges for both fiscal years such as: gas card purchases, utility bills, and travel expenses do not require certification. Payroll that commences in the closing period of one fiscal year and ends in the following fiscal year does not require certification.

Accounts Payable using Y- Reference

The term “Y-voucher” also has been used to refer to an invoice that needs to be recorded as accounts payable. The Department of Finance and Administration extracts as old year obligations from AASIS all invoices paid between July 1 and August 15 which include a “Y-” as the first characters in the reference field. This extraction is then provided to agencies to allow the agency to make a journal entry to record these items as June 30 accounts payable. Detailed examples are listed below which outline when a “Y-” should

be included in the reference field. These rules are very different from the certification process. All prior year obligations should be recorded as accounts payable either through the P.O. system or by including a "Y-" in the reference field while not all prior year obligations require certification. Ordinary recurring utility bills that cross fiscal years need not be split at year-end and the service applicable to June does not need to be recorded as June 30 accounts payable.

Year-end Instructions for Goods Receipts and Invoices Which Include a "Y-" as the First Character in the Reference Field

Receipt of materials or services on or before June 30, 2009, (MIGO entered into AASIS) with payment on or after July 1, 2009, against a purchase order with reappropriation and adequate budget in 2010 once appropriation is reappropriated –
The purchase order will carry forward to 2010. The agency should not record the invoice via MIRO with a "Y-" reference, because the payable is properly recorded in the GRIR Clearing account at 6/30/09. Invoice receipt should be posted on this purchase order in 2010 for payment.

Receipt of materials or services on or before June 30, 2009, (MIGO entered into AASIS) with payment on or after July 1, 2009, against a purchase order without reappropriation, but adequate budget in 2010 –
The purchase order will carry forward to 2010 if the agency has adequate budget in 2010 to cover all the commitments. The agency should not record the invoice via MIRO with a "Y-" reference, because the payable will be properly recorded in the GRIR Clearing account at 6/30/09. Invoice receipt should be posted on this purchase order in 2010 for payment.

Receipt of materials or services on or before June 30, 2009, (MIGO entered into AASIS) with payment on or after July 1, 2009, against a purchase order without adequate budget in 2010 –
AASIS Support Center (ASC) will reverse the balance in the GRIR clearing account prior to coming back up in July 2009. ASC will compile a list of any PO's reversed due to insufficient budget. The agency should record an accounts payable at 6/30/09 in Period 13 for all amounts that had been recorded in the GRIR clearing account as of 6/30/09 using transaction FB50 and the list generated by ASC. Vendors must submit a claim to the Claims Commission for approval to receive payment for these items. Upon notification of approval, the agency must transfer cash to the Claims Commission to settle these claims which do not exceed \$10,000 and are considered non-controversial. A subsequent entry which debits accounts payable and credits transfers out should be made by the agency during 2010 to clear the liability. The Claims Commission should make an entry which debits transfers in and credits the non-budget relevant refunds, taxes and claims expense account. The Claims Commission will issue payment to the vendor. The agency will be provided appropriation when the claim is approved by the General Assembly for payment. This payment will be paid from the agency's funds and the appropriation provided by the General Assembly directly to the claimant. These

liabilities should remain on the books as long as the claimant has a valid claim against the agency which has not been settled by payment or dismissed by the General Assembly.

For claims which exceed \$10,000 or are controversial, the agency should record an accounts payable at 6/30/09 in Period 13 for all amounts that had been recorded in the GRIR clearing account as of 6/30/09 using transaction FBS1 and the list generated by ASC.

Receipt of materials or services on or before June 30, 2009, with payment on or after July 1, 2009, outside the Purchase Order System within AASIS or in instances where the Purchase Order System was used but the MIGO was not entered into AASIS on or before June 30, 2009 -

Agency should record the invoice with a “Y-” reference to ensure the amount payable at 6/30/09 will be included in the “Y-” reference extraction. Instructions on how to record the accounts payable entry using transaction FBS1 will be emailed to agencies by August 20, 2009, by the DFA – Office of Accounting – CAFR Section.