



STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

To: Chief Fiscal Officers, Purchasing and Accounts Payable Staff
From: Joseph A. Giddis
Date: May 17, 2005
Subject: 2005 Fiscal Year End Close Materials Management Guidance

Department of Finance and Administration's AASIS Support Center (ASC), Office of Accounting and Office of State Procurement prepared the following guidance jointly. It is provided to assist agencies in preparing for the 2005 fiscal year end and addresses, primarily, the material management (purchase order) functionality.

For financial statement reporting for FY 2005, purchase orders with goods receipt carried forward and direct invoices carried forward by ASC into FY 2006 and paid in FY 2006 will be reported as FY 2005 expense. All warrants/checks issued in FY 2006 will be charged against the FY2006 budget and use FY2006 funding.

All agencies must clean up purchasing documents before year-end to properly reflect their program spending level for FY 2005:

- a. Eliminate unwanted POs
- b. Delete PO lines with discontinued account assignments (those carrying cost centers, WBS elements and Internal Orders), which will no longer be valid in the new fiscal year.

NOTE: Instructions for this process can be found on the AASIS website at http://www.arkansas.gov/dfa/aasis/AASIS_Training/MATERIALSMGMT/aasis_training_POC.html.

Purchase Requisitions will not be carried forward.—Agencies should eliminate open PRs in the event it they can not be completed by June 30, 2005.

ASC will carry forward all open Purchase Orders where there is sufficient budget in the new fiscal year to cover the commitment. Agencies should be aware that POs and Commitments carried forward into FY 06, must pass a FY 06 budget validation or they will be returned to FY 05 by ASC prior to the system being available for normal operations on Tuesday, July 5, 2005.

Possible Purchase Order Statuses:

- PO lines with no receipts posted (Goods Receipts/Logistic Invoice Receipts)
- PO lines with partial receipts
- PO lines which have not had the deletion flag set

- PO lines which have not had the final invoice indicator set

Exclusions from carry forward:

- Purchase Orders where an account assignment on ANY line (Cost Center, WBS Element, Internal Order, General Ledger Code) will change in the new FY from the assignments in the prior FY should be deleted prior to year end by agency personnel.
- PO lines that have account assignment changes on ANY line (Cost Center, WBS Element, Internal Order, General Ledger Code) during FY 2005 should be deleted.

Maintenance on POs to ensure carry forward of line items:

- a. Users cannot add new lines to the PO. A new PO must be created.
- b. Users cannot change any account assignment information
 - Cost center
 - Internal order
 - WBS element
 - G/L Account

As much as possible, do not enter POs during the remainder of this fiscal year for goods or services that will be received in the next FY. This will avoid tying up old year budget unnecessarily.

Follow correct accounting procedures. A **Goods Receipt (MIGO) transaction must not be keyed unless the goods or services have actually been received and an Invoice Receipt (MIRO) transaction must not be keyed unless the invoice has actually been received.**

No posting of MM transactions of any nature will be allowed in FY 2005 by agencies after June 30, 2005.

For all **New Year** POs (not carried forward POs – see above), which require account assignment information changes (Cost Center, Internal Order, WBS Element, Asset number, and / or G/L Account), delete the existing line with the incorrect data and add a new line for the desired account assignment information. This process ensures budget accuracy and avoids errors that might otherwise result from changing the account assignment on an existing line item that has already been posted.

If a posted **New Year** PO line item is incorrect due to material number, quantity, amount or some other reason, delete that line and create a new line rather than editing the existing line. This ensures accurate accounting of all related transactions involved with the PO.

For assistance with AASIS related questions please email
<http://aasis.state.ar.us/helpdeskform.php>

For procurement policy questions email tom.prigmore@dfa.state.ar.us