



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 29, 2007
Subject: 2007 Fiscal Year End Close Materials Management Guidance

The 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 2007 fiscal year end and addresses, primarily, the material management (purchase order) functionality.

All agencies must clean up purchasing documents before year-end to properly reflect their program activity level for FY 2007:

- Eliminate unwanted Purchase Orders
- Close open Purchase Requisitions
- Reduce open Funds Reservations
- Delete PO lines with discontinued account assignments (those carrying cost center, WBS Element, and/or Internal Order), which will no longer be valid in the new fiscal year.

ASC will carry forward the following open commitments 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 FY2008 must pass a FY2008 budget validation or they will be reversed and deleted in FY2007 by ASC prior to the system being available for normal operations on Thursday, July 5, 2007.

- Purchase Orders (POs) created in FY 2007 that do not have discontinued account assignments and pass budget validation in FY 2008.
- FY 2007 Posted invoices the do not have discontinued account assignments and pass budget validation in FY 2008.

Exclusions from carry forward:

- **No parked or parked as completed invoices will be carried forward from FY2007 to FY2008**

- **No held Purchase Orders (POs) will be carried forward from FY2007 to FY2008**
- **No Purchase Requisitions will be carried forward from FY2007 to FY2008**
- **No Purchase Orders (POs) created prior to FY2007 will be carried forward even if line items were added in FY2007**
- **Purchase Orders (POs) created in FY2007 will be carried forward if sufficient budget exists in FY2008 to support the entire document**
- **Open invoices will be carried forward if sufficient budget exists in FY2008**
- **No Funds Reservations will be carried forward from FY2007 to FY2008. Open balances must be reduced to zero for year end activities.**

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.**

Follow best business practices. **Purchase Orders 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 error that might otherwise result from changing the account assignment on an existing line item that has already been posted.

For procurement policy questions email or website robin.rogers@dfa.state.ar.us

For established policy and procedures, please consult the Financial Management Guide for details:http://www.arkansas.gov/dfa/accounting/guide/financial_management_guide.doc

For AASIS courseware,
http://www.state.ar.us/dfa/aasis/AASIS_Training/MATERIALSMGMT/aasis_training_POVIC.html

If you have any questions regarding performing AASIS transactions, please call the AASIS help desk at (501) 683-2255 and log a ticket.