



CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO: 09-13-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 8
EFFECTIVE DATE: 04/24/09	EXPIRATION DATE: 12/31/09	SUPERSEDES: 08-20-OMB
SUBJECT: YEAR-END GUIDELINES FISCAL YEAR 2009		
ATTENTION: DIRECTORS OF ADMINISTRATION, FISCAL OFFICERS, AND PAYROLL OFFICERS		
FOR INFORMATION CONTACT: CHERYL MARTINEZ		PHONE: (609) 292-4820

This circular letter contains important year-end information and cutoff dates for the New Jersey Comprehensive Financial System (NJCFIS) and Centralized Payroll System. Refer to the Purchase Bureau's fiscal year 2009 cutoff date memorandum, dated January 16, 2009, for Purchase Bureau year-end information.

I. PAYROLL INFORMATION

Starting with the regular bi-weekly pay period 14 (June 20, 2009 through July 3, 2009) and supplemental payrolls applicable to fiscal year 2009-2010, the following procedures are in effect:

A. Number of Working Days

1. The number of working days in fiscal year 2009 for twelve-month employees is 261. The number of working days in fiscal year 2010 will also be 261. The bi-weekly gross calculations will not change for the new fiscal year.
2. The number of working days in fiscal year 2009 for employees paid under compensation code three (ten-month payment) is 217. The number of working days in fiscal year 2010 will also be 217. The bi-weekly gross calculations will not change for the new fiscal year.

B. Overlap Pay Period

Pay period 14 (June 20, 2009 through July 3, 2009) affects two fiscal years. The OMB Payroll Section will make the necessary computations with regard to the split, and will furnish a separate advice-of-charge for each fiscal year. The split for a 10-day pay will be seven days charged to fiscal year 2009 and three days charged to fiscal year 2010.

C. Overtime Payments

1. Overtime payments paid on regular pay period 13 will be charged to fiscal year 2009.
2. Overtime payments paid on regular pay period 14 will be charged to fiscal year 2010.

Note: If it is necessary to have pay period 14 overtime payments charged to fiscal year 2009, payment requests may be submitted on either supplemental pay period "M" or "N" as explained below.

D. Food and Other Maintenance

It shall be the responsibility of the agency payroll officer to change any food and other maintenance deductions on pay period 14 (June 20, 2009 through July 3, 2009) to reflect any revised maintenance amounts that are in effect for fiscal year 2010. Requests for mass changes of food maintenance amounts should be sent to:

Kevin McMullen
Supervisor, Payroll Audit-Centralized Payroll
Office of Management and Budget
Second Floor - Room 260
P.O. Box 207
Trenton, New Jersey 08625-0207
KEVIN.McMULLEN@treas.state.nj.us

E. Salary Rates

Tables of bi-weekly salary, daily, hourly, and overtime rates, based on 217 and 261 working days for fiscal year 2010, will be available from the Civil Service Commission.

F. Supplemental Payrolls

1. The supplemental pay period "M" will only be charged to fiscal year 2009.
2. The supplemental pay period "N" will accommodate both fiscal years. However, a single supplemental payroll submission cannot be used to reflect charges to more than one fiscal year. Supplemental payroll charges for pay earned through June 30, 2009 shall be submitted on one payroll marked "fiscal year 2009", and charges for pay earned on or after July 1, 2009 shall be submitted on a separate payroll marked "fiscal year 2010."
3. Supplemental payroll charges for pay earned through June 30, 2009 must be marked "fiscal year 2009" and be received in the OMB Payroll Section no later than noon, Monday, July 13, 2009 for payment on supplemental pay period "N" 2009, in order to be charged to fiscal year 2009 appropriation accounts. Deficits created because of this action are the departments' responsibility.
4. Supplemental payroll charges for pay earned from July 1, 2009 through July 3, 2009 must be marked "fiscal year 2010" and be submitted for payment on supplemental pay period "N" 2009 and charged to fiscal year 2010. These Supplemental Payrolls are due no later than noon, Monday, July 13, 2009.
5. Supplemental pay period "N" 2009 is absolutely the last opportunity for agencies to have payroll expenses charged to fiscal year 2009. All supplemental payrolls submitted after noon, July 13, 2009, will be charged to fiscal year 2010.

6. Supplemental payrolls for retroactive payments, sick leave injury, or accrued vacation after retirement or separation cannot be submitted for payment against position numbers that have been abolished in the new fiscal year. These supplemental payrolls must be submitted for supplemental pay period "N" marked "fiscal year 2009," and are due no later than noon, July 13, 2009.

II. NEW JERSEY COMPREHENSIVE FINANCIAL SYSTEM (NJCFIS)

Note: Continuing Appropriations - The references below to cutoff dates and pre-encumbrance cancellations do not pertain to continuing appropriations (appropriation type "02").

A. Critical Dates

1. Year-end Cutoff Dates

The cutoff dates for fiscal year 2009 transactions that may require approval by OMB or the Office of Legislative Services (OLS) are listed below:

<u>TRANSACTION CODE</u>	<u>CUTOFF DATE</u>
TA (OLS approval)	July 10, 2009
AP	July 10, 2009
RB	July 10, 2009
TA	July 10, 2009

2. NJCFIS Key Dates

- | | |
|--|--|
| April 16, 2009
to
April 24, 2009 | a) Fiscal year 2010 original appropriations are established in NJCFIS.
b) EXPB records will be created with zero balances in fiscal year 2010 for all records that have a balance in fiscal year 2009 and a corresponding fiscal year 2010 appropriation record. A balance is considered a pre-encumbrance, encumbrance, or expenditure. |
| April 27, 2009
to
May 1, 2009 | a) REVB records will be created in fiscal year 2010.
b) NJCFIS is opened for limited fiscal year 2010 activity based on the original appropriations, exclusive of expenditures or revenue. |
| May 4, 2009
to
May 8, 2009 | a) Estimated receipt amounts are established on appropriation and revenue budget records for appropriation sources 3XX and 4XX. |
| June 30, 2009 | a) Year-end program will run against trust and bond funds (funds 5XX and 7XX). Free balances will be brought forward to fiscal year 2010. REVB and EXPB records will be created in fiscal year 2010 for all active records in fiscal year 2009 for trust and bond funds.
b) NJCFIS will be down from June 30, 2009, 5 p.m. until July 1, 2009 10 a.m. |

July 31, 2009

- a) Travel pre-encumbrances (TEs, THs) will be converted to Agency Orders (AOs).

Note: TVs processed after this date must reference the converted agency orders (AOs).

- b) Pre-encumbrances (RAs, RPs, and RDs) will be canceled for all non-trust and bond accounts.
- c) Year-end program will run against fiscal year 2009 accounts. Free balances will lapse or carry forward, depending on the appropriation language.
- d) NJCFS will be down from July 31, 2009, 5 p.m. until August 3, 2009, 7:00 a.m.

B. Cancellation of Pre-encumbrances

On July 31, 2009 after the close of business, all pre-encumbrances (RAs, RPs and RDs) in non-continuing appropriation accounts within the General Fund will be canceled by OMB. In anticipation of this action, agencies are encouraged to convert pre-encumbrances that represent legitimate 2009 obligations to encumbrances with proper vendor numbers prior to July 31, 2009. Uncommitted balances created by canceled pre-encumbrances will either lapse or carry forward in accordance with the appropriation type on the appropriation record.

In cases where a legitimate reason exists to have the balances of canceled pre-encumbrances reinstated in the new fiscal year, agencies must submit requests in writing by August 28, 2009 to justify the reinstatement of funds. Requests for reinstatement should be sent to:

Leslie A. Notor
Manager, Accounting Bureau
Office of Management and Budget
Sixth Floor - Room 690
P.O. Box 221
Trenton, New Jersey 08625-0221

Please list the following specific items in the request:

- Pre-encumbrance document number
- Appropriation account number
- Amount that was canceled
- Amount that is requested to be reinstated
- Justification for the reinstatement

C. Deficit Balances

Chapter 131, P.L. 1989 established a penalty of prison or fines for purposely and knowingly over expending an appropriation. Any fiscal officer, business manager, or director of administration could be held liable under Chapter 131, P.L. 1989 if salary accounts (or any other accounts) are allowed to go into deficit without immediate corrective action. Therefore, it is the responsibility of each fiscal officer to make certain that no fiscal year 2009 appropriation account closes the fiscal year with a negative unobligated balance. Agency fiscal officers should not rely on last minute processing of transfers and other accounting documents to relieve deficits. Preparation and submission of deficit relieving documents should begin immediately upon receipt of this circular letter. Because of the time constraints involved, all transfers requiring OLS approval must be submitted to OMB no later than July 10, 2009.

All deficits on the Appropriation Table must be resolved by July 31, 2009. OMB does not require the elimination of deficits on the Expense Budget Table.

D. Exemption from Fringe Benefit Charges

In order for any non-state funded salary account to be considered exempt in fiscal year 2010 from applicable fringe benefit charges according to Circular Letter 94-09-OMB, all requests for such exemption must be submitted to the Director, OMB for approval prior to July 31, 2009.

E. Indirect Cost Exemptions

Effective July 1, 2009 all existing waivers for the recovery of indirect costs will be canceled. If a waiver is desired, a new request must be submitted to the Director, OMB for approval. The waiver request must provide justification for the exemption, the dollar amount of the exemption, and the funding source. All waivers will be for one fiscal year only.

F. Capital Asset and Infrastructure Reporting and Certification Requirements

All questions pertaining to this section and training should be directed to Steven Sagnip, OMB Financial Reporting, at (609) 292-3175.

All capital assets, infrastructure, and equipment inventory must be reported in the Statewide Land and Building Asset Management System (LBAM). LBAM is available to all agencies through the Garden State Network or MYNJ Portal.

All agencies are required to maintain an internal inventory of all equipment assets with an acquisition value of \$1000 or more as defined in Circular Letter 91-32-OMB. Agencies must perform a physical inventory to verify the status and condition and update their internal inventory by June 30 of each fiscal year. Agencies should compare their inventory records with their internal purchasing records. Additionally, agencies must maintain the internal inventory by building and enter the total acquisition value of the inventory to the respective building record in LBAM. Agencies are responsible for reconciling LBAM to their internal records by July 31, 2009. Any differences should be recorded in LBAM. **For fiscal year 2009, agencies must submit an electronic copy of their annual inventory to OMB.**

Agencies are responsible for reporting to OMB the acquisition, lease, construction, ownership, retirement, or sale of any asset that satisfies the thresholds defined in Circular Letter 01-07-OMB, and for which the agency maintains stewardship, responsibility, or the main occupant of the building. In addition, land easements, infrastructure, and assets of historic, scientific, or artistic nature must be reported. All assets that have been received and accepted for delivery prior to June 30, 2009, and all assets retired, sold, demolished, or scrapped prior to June 30, 2009 must be reported. Agencies responsible for construction or purchase of capital assets not already reported by Treasury should report those transactions.

For fiscal year 2009, all purchases, leases, or sales of land, easements, buildings, improvements, infrastructure, and equipment (including software) are to be entered into LBAM. Additionally, all software that is purchased, developed, or under development that exceeds a cost of \$100,000 must be reported to OMB. This includes enterprise agreements, regardless of per unit cost. Expenditures for multi-year software application development projects must be reported annually [[Click here for a copy of the Software Reporting Guidelines](#)]. Agencies are responsible for recording capital acquisitions directly into LBAM.

All building construction, renovation, or demolition of buildings, or the purchase and/or sale of property that is not coordinated through the Division of Property Management and Construction's (DPMC) Office of Design and Construction or Office of Property and Lease Management is the

responsibility of the applicable agency and therefore must be reported by the agency. Entry into LBAM for projects managed by DPMC is Treasury's responsibility. However, the department Chief Fiscal Officer (CFO) is responsible for reconciling to department records the accuracy of the reported expenditures and entry of additional expenditures not handled by DPMC.

Departments are responsible for entering fiscal year 2009 transactions no later than July 31, 2009. OLS, Office of the State Auditor (OSA), continues to audit the buildings and building and land improvements in LBAM. Any delay in entering fiscal year 2009 activity will affect the ability of OSA and OMB to complete the Comprehensive Annual Financial Report.

In addition to those items reported as capital assets, all agencies are required to report any assets classified as infrastructure that have been acquired or constructed. Infrastructure may include: dams, airport runways, roads, bridges, canals, docks, sewer, water, and electric or fiber optic distribution systems. Major improvements to infrastructure assets must also be reported. Land purchased for the express purpose of supporting infrastructure must be reported into LBAM as a land asset. DOT infrastructure, excluding land, is to be submitted to OMB directly via a spreadsheet listing cost, category, and year of acquisition.

Historic and artistic holdings may be summarily submitted in "classification format" along with a written department policy stating that historic and/or artistic holdings are held for reasons other than financial gain; the collection is protected, kept unencumbered, is cared for and preserved; and all proceeds from sales of collection items are used to acquire other items for collections. This information must be submitted with the annual certification. Departments without a written policy must enter all historic and artistic holdings, including a monetary value at time of acquisition, into LBAM.

Departments are required to report asset impairments. Asset impairment is when events or changes in circumstance suggest that the usable capacity of the capital asset may have significantly and unexpectedly declined. Both significant and unexpected declines must be present for an asset to be considered impaired. Common indicators of impairment include:

- Evidence of physical damage such that restoration efforts are needed to restore usable capacity.
- Enactment or approval of laws, regulations, court orders, or other changes in environmental factors.
- Technological development or evidence of obsolescence.
- Change in the manner or expected duration of use of a capital asset.
- Construction stoppage due to lack of funding.

Asset impairment shall be reported using the Capital Asset Impairment Questionnaire [[click here for attachment](#)]. OMB Financial Reporting will contact the agency directly concerning any reported capital asset impairment.

OMB requires only one certification by the CFO of the agency. The CFO must certify that an annual inventory has occurred, all qualifying assets have been reconciled and entered into LBAM, and all infrastructure assets have been submitted to OMB. **OMB will not accept certification from a designated individual.** Agencies must use the following wording in their certification letter:

Pursuant to Circular Letter 01-07-OMB, Fixed Assets, and in accordance with generally accepted accounting principles and Governmental Accounting Standards Board standards, the Department/Agency of [Department Name/Agency] certifies the following representations:

1. In accordance with Circular Letter 01-07-OMB and Department of [Insert Name] inventory policies, at least one physical inventory of all Departmental/Agency assets has occurred in fiscal year 2009

(July 1, 2008 through June 30, 2009), and the content cost for each building has been entered into LBAM.

2. In accordance with Circular Letter 01-07-OMB and the Year-End Circular Letter, all qualified fixed asset and infrastructure purchases and/or retirements, procured during fiscal year 2009 have been entered into LBAM, or in the case of DOT, have been reported to OMB.
3. In accordance with the Year-End Circular Letter, all capital asset impairments have been identified and reported in the attached Capital Asset Impairment Questionnaire.
4. In accordance with the Year-End Circular Letter, all historic and artistic holdings have been identified and reported in LBAM or a copy of the department policy specifying preservation and acquisition is attached.

The CFO should submit the certification, Capital Asset Impairment Questionnaire, historic and artistic preservation and acquisition policy, and agency inventory no later than August 14, 2009 to:

James Kelly
Manager, Financial Reporting
Office of Management and Budget
Fourth Floor – Room 40
P.O. Box 221
Trenton, NJ 08625-0221

G. Intra-governmental

1. Treasury - Division of Administration (Treasury Fiscal)

Treasury Fiscal requests that agencies process payments by July 31, 2009 to cover any actual or projected deficits. Central services administered by Treasury Fiscal are telephone, motor pool, postage, print shop, rent, Distribution Center, and line of credit.

Note: Please advise OMB Financial Reporting of any material transactions not processed and recorded by July 31, 2009.

2. Office of Information Technology (OIT)

The Office of Information Technology requires that all agencies with outstanding balances for services provided by OIT process payments on or before Friday, July 24, 2009. Payment account information to OIT can be found on agency invoices located in the Cost Allocation and Recovery System.

3. Department of Corrections (DEPTCOR)

The process to encumber funds payable to DEPTCOR (State Use Industries) if funding is not encumbered through MACS-E purchase order type "STU" is as follows:

- a) Process an encumbrance (AO) with an intra-governmental indicator of "Y."
- b) Process an intra-governmental payment voucher (AV) in accordance with the provisions of Circular Letter 95-08-OMB, referencing the intra-governmental encumbrance.

Note: BFY 09 must be referenced in the header of the AV transaction for payment to be credited to the seller account.

c) The seller account on the AV transaction will be as follows:

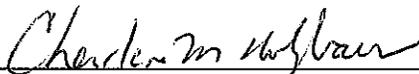
<u>BFY</u>	<u>Fund</u>	<u>Agcy</u>	<u>Orgn</u>	<u>AP Unit</u>	<u>Actv</u>	<u>Rev Src</u>
09	100	026	7020	001		3769

d) The description must be the invoice number from DEPTCOR.

H. Accounting Periods

Please refer to the chart below for the correct assignment of accounting periods.

<u>MONTH</u>	<u>FISCAL YEAR</u>	<u>ACCOUNTING PERIOD</u>
May	09 and earlier	11 09
	10	01 10
June	09 and earlier	12 09
	10	01 10
July	09 and earlier	12 09
	10	01 10



 Charlene M. Holzbaur
 Director