



North Carolina Department of Health and Human Services
Office of the Controller

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June 1, 2010

MEMORANDUM #2010-13

TO: Division/Institution Budget Officers
FROM: Laketha M. Miller *Laketha M. Miller*
James B. Slate, Jr., Director *James B. Slate, Jr.*
Division of Budget and Analysis
SUBJECT: Fiscal Year 2010 Year-End Closeout Process

As the current fiscal year-end is rapidly approaching, it is necessary to give special attention to certain Year-End procedures. It is critical that the Budget Officers (both Division and Institution) work together to ensure that all aspects of the Year-End closeout process are addressed.

To assist in this process, our two offices have developed the following list of tasks relating to Year-End closeout and preparation of the Comprehensive Annual Financial Report (CAFR) that need division/institution involvement and support. There are two matrices attached to this memorandum. The first matrix has been developed to assist in identifying which items are the responsibility of divisions/institution management and which sections of the DHHS Controller's Office are responsible for handling various items for Year-End closeout and the CAFR. The second matrix has been developed to more specifically identify the absolute deadline dates, tasks, and responsible work areas within the divisions/institutions and the DHHS Controller's Office that are needed to ensure that all DHHS divisions have certified their year-end reports by July 15, 2010 as instructed by the Office of the State Controller and the Office of State Budget and Management. The tasks identified are as follows:

- Travel Advances must be repaid no later than **June 21, 2010**.
- Petty Cash/Imprest Cash accounts must be reimbursed, deposited with the local State Treasurer's depository and closed out as of **June 30, 2010**. Letters requesting establishment or re-establishment of petty/imprest cash funds for **July 1, 2010** should be sent to the Controller's Office no later than **June 11, 2010**. The letter should also include justification to maintain or continue the funds at another level. Checks to establish the petty/imprest cash funds will be issued as soon as the July allotments are approved and posted.

- Deposit information regarding deposits made at outside banks on **Wednesday, June 30** must be forwarded to and received in the Controller's Office, Accounts Receivable Section, no later than **July 1, 2010**.
- Capital Improvement Budget Reports (BD725) must be filed no later than **June 21, 2010**. In order to meet this deadline, invoices for CI projects must be in the Controller's Office no later than **June 11, 2010 by 11:00am**. Allotment revisions for CI projects that are prepared by agencies outside the Controller's Office (such as the Division of Property and Construction Office) must be received in the OSBM no later than **June 4, 2010**. It is imperative that copies of these allotment revisions be forwarded immediately to the Controller's Office. Requisitions for cash from CI Budget Codes must be entered into CMCS no later than 10:30am on **June 10, 2010**.
- Inventories of supplies, postage, etc. must be taken as of the close of business **June 30, 2010**. Completed inventory worksheets are due to the Controller's Office by the end of the day, **July 15, 2010**. Copies of the worksheets and instructions are attached. Please note that there are two worksheets, one for the inventory and one that summarizes each account.
- Each Division is required to disclose all potential liabilities that could arise from any pending major management decisions or potential adverse litigation results or any other factors that could substantially impact the financial position of the Division. The attached Contingent Liabilities Worksheet must be completed by including a brief description of the reason for the contingency, disclosing the principals involved and the estimated impact upon the Division from a financial point of view. This worksheet is due to the Controller's Office no later than **July 9, 2010**.
- Anticipated cash carry forward amounts are to be provided to the Division of Budget and Analysis no later than **June 11, 2010**. Pending approval by OSBM, the BD 606s to support the anticipated carry forward are to be submitted to OSBM no later than **June 25, 2010**. Cash carry forwards, as approved by OSBM, must be requested by **June 25, 2010**. You will need to communicate with your contact person in the Controller's Office to ensure that cash is available to cover your anticipated carry forwards. It will be the Budget Officers' responsibility to notify the Controller's Office when the BD 606 has been approved so that the carry forward check can be written.
- All current year invoices that you anticipate being paid from current year funds must be received by the Controller's Office no later than **June 18, 2010 by 2:00 pm**. Payment of invoices is contingent upon the availability of cash.

Instructions directed to DHHS Divisions/Offices

The Controller's Office, General Accounting and Financial Management Section, is organized into four Branches. Please direct your correspondence/questions regarding Year-End close-out to the Branch Head responsible for your Division as follows:

Deborah B. Atkinson (Team A) Phone (919) 715-8985:

Division of Medical Assistance

Division of Social Services

Child Support Enforcement Accounting

Divisions of Services for the Blind and Deaf & Hard of Hearing

Deborah Barnes (Team B) Phone (919) 715-8917:

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Division of Health Service Regulation
Division of Child Development
DVR Disability Determination Services
Division of Aging and Adult Services

Margie Whitfield (Team C) Phone (919) 715-9058:
Office of Education Services
DHHS Central Administration (Office of the Secretary)
Division of Vocational Rehabilitation Services
Division of Public Health
DMH/DD/SAS

Lori Mosteller (Team D) Phone (828) 433-2237
DMH/DD/SAS Institutions

Please direct your correspondence/questions regarding inventories of postage, supplies and contingent liabilities to Margie Whitfield or Deborah Barnes at (919) 715-9058 or (919) 715-8917 in the General Accounting/Financial Management Section.

Note:

The Annual Inventory of Fixed Assets will be completed and inventory worksheets returned to the Controller's Office no later than **May 28, 2010** in order to allow review of the inventory and posting of adjustments by the Controller's Office.

Attachments

cc: Executive Committee
Division Directors
Robert Alford
Jack W. Chappell
Larry Huffman
Curtis Crouch
Jim Slate
DHHS Budget Analysts
Terry Hatcher
GA/FM Branch Heads
Program Benefits Branch Heads
Fiscal Officers, Controller's Field Offices