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

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MEMORANDUM #2016 – 03

TO: DHHS Division/Institution Budget Officers

FROM: Laketha M. Miller Laketha M. Miller

Date: January 6, 2016

Subject: New reports in XTND

In preparation for the upcoming activation of Funds Checking, several reports have been added to XTND to help you monitor your account balances, identify potential budget issues, and plan accordingly.

When Funds Checking is turned on, your Available Funds balance is a mathematical calculation based on your outstanding purchases (in progress and completed) and outstanding payments (in progress and completed).

Budget – Commitments – Encumbrances – Expenditures = Available Funds

If the ending result is a positive number, your purchase and/or payment will be processed with no problems. Conversely, if the ending result is a negative number, your purchase and/or payment will not be processed until some type of action is taken. This action could be a budget revision, closing an old requisition that is still open, adding a multi-year indicator to an open PO to reflect future year payments, etc.

Added Reports in XTND:

- **DHRWHA AFF Error Rpt** – This report lists the available funds for a specific company/account/center distribution. The first line for each account shows the roll-up level at which funds checking is reviewed. Any negative amounts in the Available Balance column shows where the account has been over-expended and no funds are currently available. (For NCAS users, this information is also available in NCAS on the 161 screen in the BC module.) If you find that you have no funds available, reports are available for you to review the individual balances in each column.

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- **DHRWHA Pur Commitment** - This report shows commitments/requisitions that have been entered in e-Procurement and their status in the approval process. Requisitions entered over 6 months ago that have not been fully approved and converted to an executed purchase order should be reviewed to see if they need to be deleted since they will obligate funds until they are converted. If you have questions about any requisitions listed on this report, please contact the Office of Procurement and Contract Services for assistance.

  There are two types of Encumbrances that make up the Encumbrance balance – Accounts Payable and Purchase Order.

- **DHRWHA AP Inv Encumbrance** - Open accounts payable invoices can be found in this report. Invoices entered, but not yet paid, will be listed on the AP Inv Encumbrance report.

- **DHRWHA PS-PO-Encumbrance-ByCntr** - Open purchase orders can be found in this report. Purchase orders, like commitments, should be reviewed to insure that they are active, current orders that are still in the process of being paid; old purchase orders still remaining should be reviewed to see if they need to be deleted or for payment matching errors. Payments that have not been matched will result in a double encumbrance – 1) for the open encumbrance and 2) for the expenditure that was made. Sometimes, purchase orders may be entered for several years; however, only the amount to be paid during the current year should be encumbered to avoid available funds problems. The following report will identify purchase orders that have been entered correctly with multi-year indicators to avoid over-encumbrances in the current fiscal year.

- **DHRWHA PS-PO-Encumbrance-MultiYr** - This report lists the POs for your division that have been entered with multi-year indicators and the fiscal year in which they will become active. If you find a purchase order that needs to have a multi-year indicator entered, please work with the Office of Procurement and Contract Services to amend the purchase order.

  Expenditures are actual payments that have been made or journal voucher charges that have posted to General Ledger.

- **DHRWHA Pymt to Vendor-FY16** - This report will list all vendor payments made by your division for the entire fiscal year. (A version for FY15 has also been added to XTND.)

- **DHRWHA DAPG67 YTD16** - This report can be reviewed to see all expenses that have been charged to a specific company/account/center for the entire fiscal year which includes vendor payments as well as journal voucher expenses. (If you only need to review one month, the existing DAPG67 reports are also available.)

  Each year the Office of the State Controller contracts with an outside vendor to perform a statewide audit to find overpayments, unused credits, neglected rebates, pricing errors or miscalculations, etc. If the vendor finds that there are funds due to the State, they are allowed to retain a portion of the amount which would have been available to the agency had we collected it when it was first sent.

- **DHRWHA Duplicate Payments YTD2016 -** This is a very important report. It provides divisions a chance to review payments that have been made with the exact same total. This report lists all the invoices paid to the same vendor (regardless of group number) that are for the exact same amount. Regular monthly payments will be on the report, but you should have different invoice numbers to show that they were separate payments. You should be looking for payments with the same invoice number paid to same vendor, but different group number. Or, payments where the invoice numbers have a typographical error, like substituting a zero for the letter O – or vice versa. If a duplicate payment is identified, you should contact Accounts Payable so that we can begin the refund process and avoid a recovery fee being paid to the overpayment auditors. (A version for FY2015 has also been added.)

In an effort to take all credits due to DHHS as soon as possible, we will no longer be putting credit invoices on HOLD in NCAS. Credit invoices are automatically 'held' if there are no invoices to be paid against them and need to be applied as soon as possible once invoices are entered.

If you have any questions please contact Deborah Barnes, Accounts/Contracts Payable Manager, at 919-527-6031 or Jeannie Betts, Accounting Director, at 919-527-6061 in my office. We appreciate all your support, patience, and cooperation.

cc: Division/Institution Directors
OoC Section Chiefs
OoC Branch Heads