



Budget Expenditure Deadline

to: All Budget Managers
from: Connie Brand, Director of Finance
Robert Young, Interim Executive Director
subject: Budget Expenditure Deadline
date: January 28, 2016

State laws require that monies budgeted in a given fiscal year, must be used for costs associated with that fiscal year. Laws do not allow the carrying over of monies budgeted in 2015-16 (whether encumbered or unencumbered_ into the next fiscal year (except in the case of long term construction or acquisition projects). In accordance with these requirements, the expenditure deadline for the 2015-2016 fiscal year is March 1, 2016. This means **all requisitions for expenditures of non-salary accounts must be in the computer, and approved by the budget manager, no later than 11:59pm Tuesday, March 1, 2016.** This includes:

Mileage reimbursement claims
Travel reimbursement claims
District Procurement Card payments
Printing/Copying Services
Field Trip costs (including bus costs)
Activities reimbursements (secondary schools only)
End of year professional development costs
Catering
Payments for services
Supplies
Equipment
Etc.

Please also recall, purchase orders will only be held open for a period of 90 days after encumbrance date, meaning all PO not **paid** by June 1, 2016 will be cancelled before fiscal year end. No POs may be carried over into the next fiscal year. It is the responsibility of the school/department to insure items are purchased and invoice received in time to meet this deadline. There are a number of reports and resources in GEMS to allow schools/departments to monitor the status of their POs to insure compliance. Please plan your year-end orders accordingly.

PROCEDURES:

If you do not know the exact cost of items that may occur after March 1 (i.e.: mileage reimbursements, travel costs, field trips, etc.), you **must** estimate the costs and encumber it prior to March 1. The requisition will be encumbered in the system in the same manner as all other PO's. After the event occurs, receive the purchase order on-line and send the actual bill or receipts, mileage form, travel reimbursement voucher, etc. to the Purchasing/Accounts Payable Department. Be sure to write the PO number in the upper right hand corner of the form. The actual amount will then be paid from the current year's budgeted funds.

No payment can be made unless the Purchasing/Accounts Payable Department receives the invoice. Please check the packaging of all shipments closely, as sometimes the invoices are packaged with the shipment. If you receive any invoices at your location, please write the PO number in the upper right corner and immediately forward to Purchasing/Accounts Payable Department for payment. It is recommended that you keep a copy of the invoice for your records. A few points to remember when creating estimated POs are:

FIELD TRIPS

Most field trips can be planned prior to March 1, even if the trip is to occur after that date. In these cases, the following procedure should be followed:

- Schedule the trip with Transportation in the same manner as always.
- Input a requisition for the estimated cost of the field trip on or before March 1. Please contact Transportation if you need assistance in estimating a cost.
- After the field trip is completed, you will receive a billing from Transportation.

- Receive the PO on-line
- Notate the PO number and the amount to be paid on the billing and forward to purchasing.
(NOTE: If actual billing differs from the estimate on the purchase order, the actual amount will be charged to your account. Be careful to insure adequate budget remains if the actual exceeds the estimate.)
- **NO payment will be made on transportation PO's until the invoice is received in purchasing.**

CATERING SERVICES

Catering must be encumbered prior to March 1, even if the event is to occur after that date. In these cases, the following procedure should be followed:

- Schedule the event with the caterer in the same manner as always.
- Input a requisition for the estimated cost of the event on or before March 1.
- After the event is completed and you receive the billing.
 - Receive the PO on-line
 - Notate the PO number and the amount to be paid on the billing and forward to purchasing.
(NOTE: If actual billing differs from the estimate on the purchase order, the actual amount will be charged to your account. Be careful to insure adequate budget remains if the actual exceeds the estimate.)
- **NO payment will be made until the invoice is received in purchasing.**

ACTIVITIES REIMBURSEMENT (Secondary Schools Only)

Reimbursements for all post season competitions for all fall and winter sports must be submitted to Bridgette Desmet prior to **March 1**. Any fall or winter sports reimbursements submitted after that date will not be honored. Reimbursements for post season costs of spring sports must be submitted to Bridgette Desmet no later than June 1st. Any spring sports reimbursements submitted after June 1st will not be honored.

GATE RECEIPTS (Secondary Schools Only)

Reminder – Gate receipts accounts cannot be in the red at year end. You will need to estimate both the gate receipts revenues for the remainder of the year, and the officials and other expenditures to occur the rest of the year. If you have not collected sufficient monies to cover the expenditures that have occurred in gate receipts, be sure to leave monies in the general fund to cover the overage.

OUT OF STOCKS

If an order is placed on or before March 1, and subsequent to that date, you learn that the vendor no longer carries the item, you will be allowed to recoup these monies and re-encumber for a similar product from a different vendor. However, please note that Kansas state rules require that you purchase substantially the same item.

PROFESSIONAL DEVELOPMENT

Professional development opportunities must be planned prior to March 1, even if the event occurs after that date.

A separate requisition will need to be input for each person/company to be paid. If multiple people are going to one seminar, you will need to input a separate requisition for each person who will be claiming reimbursement. Do **not** include out of pocket reimbursement encumbrances on requisitions with registration costs/lodging/etc. that is to be paid to an outside company. This will cause the reimbursement to be paid to the company, not the individual.

It is imperative that travel reimbursement vouchers for items encumbered prior to the March 1 get matched to the appropriate PO number. Please inform all staff who are traveling after the cut-off that they must indicate the PO number in the upper right hand corner of their travel reimbursement prior to sending the claim to our office. Failure to do so may result in delays in reimbursement and may cause loss of encumbered funds.

- Submit leave requests and obtain board approval, if needed, in the normal manner.

- Input a requisition for the estimated cost of the event. Separate requisitions may be required for staff reimbursement, registration, hotel, etc.
- After the event is completed, receive the PO's on-line. Forward all invoices/expense vouchers to the Purchasing/Accounts Payable Department for payment (notate the PO number on the invoice).

Requests for travel received after March 1 will not be approved.

If you are bringing in a consultant, contact the consultant prior to March 1 to determine specifics on pricing and costs; a consultant form (<http://kckps.org/index.php/vendor-information>) must be fully completed and approved prior to March 1.

Any supplies needing to be purchased will be handled in a manner similar to all other supply purchases.

FEDERAL FUNDS, GRANTS AND DONATION FUNDS, FEE FUNDS

Schools/departments will be expected to adhere to the March 1 expenditure deadline for the expenditure of all federal funds, grant or donation funds and fee accounts, except priority/focus monies and SIG grants.

OTHER ITEMS

Any other costs which are to come from current year budgets must be estimated and encumbered prior to March 1. Remember to encumber any printing and copy costs you anticipate at year end!!! Absolutely no school/department will be excluded from this deadline without the written approval from Dr. Kelli Mather.

If an unexpected cost arises after the deadline, the school/department may encumber the costs after March 1 **if** the school has received Dr. Kelli Mather's approval **and** the school has sufficient budget remaining. However, it is anticipated that these exceptions will be approved on a very limited basis.

Please be sure to leave sufficient monies in salary accounts to cover all projected costs through the end of the fiscal year. If school/department salary accounts become negative at anytime during the remainder of the fiscal year, central office will act immediately to disencumber POs in non salary accounts to cover the overage. If this occurs, it may result in the school/department having to pay items ordered this year from next year monies. Please monitor your salary accounts closely.

Auditors require that encumbrances must be for specific items and cannot be open ended or to vendors to be name later. In addition, descriptions of items purchased must be sufficient for reviewers to determine account coding accuracy as well as compliance with all district policies and state and federal laws. In Auditors have further indicated they will not allow encumbrances for future services or commodities (i.e. items to be delivered in the next fiscal year).

In prior years, we have experienced an inundation of requests, questions, problems, budget transfers, etc. at the last minute. In some cases, it was impossible for existing staff to respond to all of these requests prior to close of business on the date of the deadline. As a result, we strongly urge you to process all needed requisitions well before the deadline. Extensions to the deadline will **not** be granted for any reason.

Should you have any questions on the above items, please feel free to contact us at any time.