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MEMORANDUM

From: Comptroller

To: Deans, Directors and Departments

Subj: YEAR-END FINANCIAL CLOSING PROCEDURES

Encl: (1) FY15 Year-End Closing Guidance

1. Enclosure (1) provides cutoff dates for FY15 expenditures and guidance for FY15 close out. We have built in as much flexibility as possible in order to ensure continued support.
2. Any questions about the process should refer to the points of contact list at the end of the enclosure.
3. This memorandum will be posted to my website at <http://intranet.nps.edu/Comptroller/index.html>.

K. L. LITTLE

FY15 YEAR-END CLOSING GUIDANCE
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I. INTRODUCTION

Due dates for submission of FY15 Expiring Funds Requests and FY15 Requirements are established. Any emergent requirements will be considered on a case by case basis within the bounds and timelines set by law and regulation, as well as staff capacity. Customers will need to prioritize requirements and submit as early as possible. You will find dates to remember for each program, along with specific actions required for purchase requests, awards, labor adjustments, requests for contractual procurement (non-purchase card), travel orders, other funding documents, along with accounting definition for FY16 requirements. The specified definition of terms provides amplifying information, as does the point of contact information for each program described.

II. CUTOFF DATES

All planned expenditures to occur before September 30, 2015 (FY15) must be submitted and entered into their designated tracking system before the cut-off dates below.

PURCHASE CARD

Purchases \$3,000 to \$150,000 loaded into KFS and FASTDATA 15 AUG 2015
 Purchases under \$3,000 loaded into KFS and FASTDATA 30 AUG 2015
 Purchases made by Cardholder: 30 SEP 2015

LABOR ADJUSTMENTS

01 SEP 2015

TRAVEL (entered into DTS)

15 AUG 2015

MISCELLANEOUS DOCUMENTS

15 AUG 2015

PRINTING (submitted to Defense Printing Service)

15 AUG 2015

NON-PURCHASE CARD PROCUREMENT

NON-PURCHASE CARD PROCUREMENT

NPS ESTABLISHED DUE DATES FOR SUBMISSION OF FY 15 EXPIRING FUNDS AND FY16 PROCUREMENT REQUESTS

TYPE OF ACTION	ESTIMATED AMOUNT	Submission Due Date
New Contract/Follow-On Contract	Over \$100 million	*2 Dec 2014
New Contract/Follow-On Contract	Over \$6.5 mil to \$100 million	*2 Jan 2015
New Contract/Follow-On	\$1 million to \$6.5 million	*1 April 2015
New Contract/Follow-On	\$150,001 to \$1 million	*1 May 2015
Annual Rental & Maintenance (ARMS)	Over \$150,000	3 July 2015
Delivery/Task Orders	Over \$150,000	9 Jun 2015
Exercise of Option	Any amount	22 Jun 2015
Annual Rentals & Maintenance (ARMS)	Up to \$150,000	3 July 2015
Purchase/Delivery/Task Orders	\$25,001 to \$150,000	3 July 2015
Purchase/Delivery/Task Orders	\$25,000 or less	24 July 2015
Incremental Funding on Existing Contracts	Any amount	15 Aug 2015

* These items are considered FY16 procurement request submissions and require immediate facilitation with the Director, Contract and Logistics, Ms. Patty Hirsch

III. PURCHASE REQUESTS

A. Direct and Reimbursable Funded — Cutoff Date 15 August 2015.

1. All purchases must be made and loaded into FASTDATA and Kualii Financial System (KFS) by **15 August 2015**. Beginning 15 August 2015, all Job Order Numbers (JONs) in FASTDATA and accounts in KFS, unless specifically authorized by the Comptroller will be frozen. Sweep accounts will be established. FASTDATA JON's will be administered by the Budget Department Head and KFS accounts will be administered by the Resources Planning Officer.

2. Urgent and compelling situations may arise after the cut-off dates. An urgent and compelling situation is one where there is an immediate risk to NPS mission and intervention must be taken to prevent the situation from becoming worse. If a situation becomes self-evident immediately contact both Comptroller and Director, Contracting & Logistics Management. Planning and management of requirements will mitigate these situations.

B. Reimbursable Funded Additional Instructions

1. Immediate Cutoffs. The following situations require immediate suspension or "freezing" of the JONs and KFS accounts to ensure no additional costs will incur:

a. Any FY15 JON/KFS accounts that are in the red, have an expired work completion date, or expired funds date will be frozen in FASTDATA and KFS. All transactions are to be loaded into FASTDATA/KFS or DTS prior to those dates. If a transaction needs to be recorded for any of these accounts, please contact Funds Receipt Division at funds@nps.edu.

b. All reimbursable funding documents that fund an "umbrella" project which is in the red for FY15 or previous financial years will have all associated projects frozen in FASTDATA and KFS. This will include PI/PM sub-accounts. All JONs will be frozen regardless of individual JON or KFS account balances. The freeze will remain in effect until the JON/KFS account is no longer in the red. Once the overall authorization for the funding document indicates the availability of funds, the associated JON/KFS accounts will be unfrozen.

2. Any purchase request for contractual services (non-purchase card) must meet the cutoff dates as noted on page 3.

C. **Exceptions.** Exceptions to the cutoff dates may be granted on a case-by-case basis. Justifications must be sent to the Purchase Card Division Head for approval.

IV. **AWARDS.** Monetary award nominations (performance, special act, time off, and end-of-year) will be addressed by separate guidance.

V. LABOR ADJUSTMENTS

1. All labor adjustments, supplementals, and correction memos for previous pay periods must be provided to the Timekeeping Division Head by close of business **1 September 2015**. The only exceptions will be corrections required for the clearing of accounts that are "in the red". The Accounting

Department Head (Acting), in coordination with the PI/PM and PI/PM's Department Chair, will submit these corrections.

2. Additional instructions regarding the pay period which includes 22-30 September 2015 will be provided once final year-end guidance has been received from DFAS.

VI. INTERIM ACCOUNTS. Not applicable. Effective 30 April 2013, "interim" accounts were eliminated.

VII. REQUESTS FOR CONTRACTUAL PROCUREMENT (NON-PURCHASE CARD)

1. The due dates for receipt of contract requests at the NPS Contracting & Logistics Management Department are posted on the contract portal and on page 3 of this guidance. These dates are necessary in order to ensure that requirements with expiring funds are obligated prior to the end of FY15 and to ensure commencement of requirements beginning on 1 October 2015. Additionally, these dates are required to properly forward via the Comptroller to ensure that requirements with expiring funds are obligated prior to the end of FY15.

2. Adherence to these dates is critical to successfully meet the needs of our NPS customers. If a procurement package is accepted the NPS contracting team will make every effort possible to award the contract, but acceptance of late requirements does not guarantee FY15 obligation.

3. NPS Customer Advisory

a. NPS customers are requested to prioritize and submit requirements as early as possible. Early submission of procurement packages will enable us to leverage our limited resources to best meet NPS customer needs.

b. Please submit your procurement requirements as early as possible and adhere to the stated cut-off dates. Procurement packages received after the due dates will require review by Director, Contracting & Logistics Management to assess feasibility of completion based on staffing capacity and statutory competition requirements.

4. **ALL** Requests for Contractual Procurement (RCP) NAVCOMPT 2276 must be processed and signed by the Comptroller by the cutoff dates. Every contract request must be entered into KFS and FASTDATA to prevent sweep up of funds.

5. Items already passed submission due dates need immediate facilitation with the Director, Contracting and Logistics Management. Justified emergency requirements after the cutoff dates must be accompanied by an urgency statement and submitted to the Director immediately. **Expiring funds or lack of planning are not valid reasons to justify urgency.** The Director will review these requests on a case-by-case basis and if approved will be processed as rapidly as possible. Customers are cautioned that due to end of fiscal year workload, execution of these advanced procurements cannot be guaranteed.

6. FY16 Contract Submission Requirements - Advance purchase requests with a commitment of funds on an RCP citing an FY16 line of accounting are to be submitted with the required statement: "Funds subject to enactment of the FY15 DoD Appropriation Act or the Continuing Resolution Authority and are subject to whichever becomes applicable."

VIII. TRAVEL ORDERS

1. Given the current restrictions on travel, all requests for Direct and Reimbursable travel will be in accordance with prevailing instructions. The POC for all travel matters is the Travel Department Head, Ms. Renee Dishon.

2. Travel Crossing Fiscal Years

a. Approaching year-end, travelers may receive travel orders that begin in FY15 and end in FY16. In this case, a single set of travel orders is to be prepared for any costs to be incurred through 30 September 2015. This would include the full round-trip cost of the airfare, even if the return flight occurs in FY16.

b. Once FY16 budgets are approved, the FY15 travel orders are to be amended to include the FY16 travel costs, beginning 1 October 2015. Travel expenses that need to be re-allocated between fiscal years can be done at this time.

c. Further guidance on how to handle travel that crosses fiscal years will be provided by the Travel Office. Travelers may also contact the DTS Help Desk for assistance.

d. Inquiries regarding FY15 travel are to be directed to the Travel Department Head. Inquiries about DTS Lines of Accounting for FY16 travel should also be referred to Funds Receipt.

3. Reimbursable Travel Crossing Fiscal Years

a. All requests for reimbursable travel that cross fiscal years are to be sent to Funds Receipt Division, funds@nps.edu. Requests must contain the following information:

- (1) Subject line of e-mail must state: "REQUEST FOR FY16 JOB ORDER TO BE ESTABLISHED IN DTS"
- (2) The Job Order Number (JON)
- (3) Travel Dates
- (4) Estimated Travel amount
- (5) Estimated Labor amount

b. If the above information is not on the e-mail, it will cause a delay in establishing the job order in DTS.

c. After the information is validated, the job order will be loaded into DTS and later into SLDCADA.

d. Due to the volume of requests and workload issues, a **minimum of two working days** is required before the job order is established in DTS. Exceptions will be handled on a case-by-case basis, forwarded to the Budget Department Head.

IX. MISCELLANEOUS DOCUMENTS

A. Direct and Reimbursable Funded Miscellaneous Documents. Cutoff Date 15 August 2015. Emergency needs are to be coordinated through the respective Dean's or Executive Director's office and any other type of document not specifically described above must be prepared and submitted to the Accounting Department by 15 August 2015. Any funding document forwarded to another activity, such as a MIPR (DD Form 448) or Work Request, must be accepted by the other activity by 5 September 2015. MIPRs carry certain limitations and responsibilities which must be considered prior to their issuance. No document should be issued without a firm guarantee from the receiving activity that formal acceptance or contractual obligation documents will be signed by 5 September 2015.

B. Direct Funded for PRINTING. Cutoff Date 15 August 2015. Printing requirements after the cutoff date will be forwarded to the Accounting Department Head (Acting), Mr. Jack Shishido, for approval.

X. ACCOUNTING INFORMATION FOR FY15 REQUIREMENTS

A. Direct

1. Any FY16 funding requirements are to be approved by the individual responsible for the management of the Direct OPTAR that will be funding the requirement. The Financial Management staff will not process these requests without this approval.

2. FY16 direct funded job orders will be similar to the FY15 JONs, except that the 5 will be replaced by a 6. For example, FY15 JON 622715D2100 would become 622716D2100 in FY16.

B. Carryover Reimbursable.

1. Any FY16 requirements supporting a reimbursable project will be approved by the PI/PM. Funds that support the FY15 requirement must be currently available in FY15. The Comptroller will **not** approve any FY16 requirement based upon the premise of additional or future funding.

2. In the case of "umbrella" projects, the funding document that funds the multiple sub-projects (JONs) must have available funds. Even if individual projects have balances available, the Comptroller will **not** authorize the establishment of any of the umbrella carryover accounts if the basic funding document is "in the red" for FY15.

3. The Comptroller will provide guidance on "beginning the fiscal year" for FY16 carryover, and indirect accounts. Submissions will be forwarded to the Funds Receipt Division for approval.

4. For FY16 carryover reimbursable accounts, the JON will be the same and the line of accounting will be similar to the FY15 line of accounting, except that the 5 will be replaced by a 6. For example, FY15 JON 622715R21AC would become 622716R21AC in FY16.

XI. DEFINITIONS

1. Types of Funding:

Direct Funds. Direct funds are funds received by NPS for the basic mission of graduate education. Direct funds are Operations and Maintenance, Navy (O&M,N) allotted each fiscal year to be expendable during the year and expiring 30 September. NPS has categorized direct funds by general purpose area.

Direct Teaching (DT) and Operating Target (OPTAR). Funds used for teaching and general support of the education mission.

NPS Institutionally Funded Research Programs (NIFR). Funds used to support NPS Institutionally Direct Funded Research Programs, such as the Research Initiation Program (RIP). B JONs are also used for certain research initiatives, such as Center for Defense Technology and Education for the Military Services (CDTEMS) and Maritime Domain Awareness (MDA).

Distance Learning (DL). Funds used to support distance learning degrees and courses, such as the EMBA program.

Foreign Military Training (FMT). Counted in the Direct funds and supporting international students.

Reimbursable Funds. Reimbursable funds are funds received from an activity outside of NPS for reimbursable research, education, professional development/training and other sponsored activities.

Sponsored Research, Education and Services. Funds received for sponsored projects with a Principal Investigator (PI) or Program Manager (PM), or sponsored education. Funds expiration date is indicated on the originating funding document and the Research and Sponsored Programs Office (RSPO) Expenditure Control Page, noting the date by which funds must be used.

Indirect/Overhead. Funds recovered from reimbursable sponsored activities, research education and professional development/training to support additional infrastructure. Distribution to infrastructure areas occurs throughout the fiscal year.

"Umbrella" Funds/Projects. Research or Sponsored projects in which a primary JON has been established and subsequent spin-off JONs are created in order to allocate funds to additional principal investigators (PI) working on the same project. JONs must match up to corresponding KFS accounts.

2. Types of Transactions:

Travel. Travel includes all types of travel-related transactions to include temporary duty, invitational travel orders, and fund cites.

Procurement. Procurement is the acquisition of a product or service.

Purchase Card Transactions. Micro-purchase actions under \$3,000 completed by NPS cardholders using the government purchase card.

Request for Contractual Procurement (RCP). Contract request actions executed through the Naval Supply Command, Fleet Logistics Center San Diego (NAVSUP FLC). The most common types are for goods and services. Requests for goods (supplies, equipment, maintenance, etc) are requested by the requiring activity, utilizing a NAVCOMPT 2276, sent through the Accounting Department. Requests for services are processed by the Director, Contracting and Logistics Management Office for the requiring activities.

Labor: Labor is the cost for faculty and staff salary and benefits. Allocation of labor cost is through the timekeeping process.

Awards: Awards are cash or time-off awards, such as Special Act or On-the-Spot. Additional guidance is at <http://intranet.nps.edu/HRO/Supervisors/lncenawd.html>.

3. Other:

Line of Accounting (LOA). LOA is the official accounting structure which records transactions into the Department of Defense (DoD) accounting system. Every transaction carries an LOA.

Job Order Number (JON). JON is a unique identifier for a particular expense in the DoD accounting system. They are established by the Budget Department when an allotment or reimbursable funding is received from the Navy or when funds are received from a sponsor for a specific activity, research project or education.

Kuali Financial System (KFS) Accounts. KFS is an internal accounting system for universities that NPS has adopted for management of NPS internal funds. Accounts are established for all financial activities and are tied to corresponding JONs.

Interim JON. No longer authorized.

XII. POINTS OF CONTACT

TITLE	NAME	PHONE	EMAIL
Comptroller & Director, Financial Management	Kevin Little	x2508	klittle@nps.edu
Deputy Comptroller & Deputy Director Financial Management	Jack Shishido	x2192	jlshishi@nps.edu
Director, HRO	Ermelinda Rodriguez-Heffner	X3054	emrodrig@nps.edu
Director, CLM	Patty Hirsch	x2179	pmhirsch@nps.edu
Associate Provost, Faculty Management & Administration	Paula Jordanek	x3645	pljordan@nps.edu
Budget Department Head	Jim Hall	X1066	jbhall@nps.edu
Accounting Department Head (Acting)	Jack Shishido	x2192	jlshishi@nps.edu
Travel Department Head	Renee Dishon	X3600	rmdishon@nps.edu
Purchase Card Division Head	Maria Morales	x1189	mmorales@nps.edu
Funds Receipt Division Head	Jennifer Watson	X3577	jcwatson@nps.edu
Timekeeping Division Head	Gidget Rose	x2046	grose@nps.edu