MEMORANDUM

TO: NCCU Faculty and Staff
FROM: Benjamin C. Durant, III, Vice Chancellor for Administration and Finance
DATE: March 31, 2017
RE: Year-End Budget Close

It is time to begin our annual budget collapse process for the fiscal year ending June 30, 2017. As part of this annual process, as noted below, all funds currently remaining in divisional and departmental budgets will be collapsed and managed to the University level on Monday, May 1 for the remainder of the fiscal year. This is necessary to ensure that the majority of budgeted expenditures are executed within this fiscal year or appropriately carried forward, resulting in a successful year-end close.

During the budget collapse, all department heads, directors, and managers are encouraged to procure only essential items that are necessary to support instruction and other measures of student success. Additional guidance for managing the budget for the remainder of the fiscal year is provided below:

**KEY DATES**

- **April 21, 2017**: Departments complete review on all open purchase orders prior to January 31, 2017; purchase orders will be liquidated, unless a compelling reason is provided to maintain the purchase order.

- **April 21, 2017**: Purchases costing $25,000 or more MUST be submitted to Purchasing for formal competitive bids. NOTE: Formal bids take 60 to 90 days.

- **May 1, 2017**: All State funds will revert to the University level. Departmental requisitions will not be allowed. Departments should work with the Purchasing Department to ensure all orders will be received and invoices will be submitted for timely processing.
• June 2, 2017: *This is the last date an invoice can be received in the Accounts Payable Office for payment in the 2016-17 fiscal year.* This is also the last date a travel advance, or post-travel reimbursement request, may be received in the Travel Office for payment in the current fiscal year.

  o **NOTE:** Transactions that have not been completed, within the aforementioned timeline, will be carried into the new fiscal year for payments. Departments will have to identify funds within the FY 2017-18 operating budget to cover all outstanding expenses as the amount of purchase orders rolled over from FY17 to FY18 will exceed the allowable budget savings carried forward from FY17 to FY18.

**GRANT AND TRUST FUNDS**

• Account holders of grant funds will not be affected by the dates above. However, principal investigators using grant funds must be aware of the grant termination date along with any accompanying restrictions and proceed accordingly. Account holders of grant funding should work closely with the Office of Sponsored Research.

• Trust funds are not impacted by the budget collapse process, **but** requisitions unable to be processed into purchase orders by June 30 will be dropped and will have to be rekeyed in the new fiscal year. Account holders of trust funds should work closely with the Budget Office.

**SUMMER PROGRAMS**

• Programs using state allocations during summer months (Summer School, etc.) are strongly encouraged to process required orders prior to the end of the fiscal year.

• Check Request Forms will be used to process payments to vendors once budgets are available. Assuming funds are available, programs using trust funds (e.g., Residential Life) will be able to process orders in Eagles' Purch as usual during the summer months.

**FOLLOW-UP ON ORDERS**

• It is imperative that campus departments monitor and follow up on their orders during the period leading up to and during the fiscal year-end close process. While the Purchasing staff will process orders in a timely manner, campus departments have the primary responsibility to see that their orders are received and invoiced within the key dates above.
• A quick phone call to your salesperson or vendor works wonders in tracking the transport, invoicing and delivery of your orders – or in identifying a potential problem.

**BUDGET OVERSIGHT**

• Budget oversight is critical at this point. Please be aware that although Eagles' Purch and BANNER can be used to encumber funds, if you spend any amount beyond the available funding, invoices against completed purchase orders cannot be paid.

• You must have sufficient budget in the FUND/ORG before payment can be made. Direct payments (telephone, copier charges) from a FUND/ORG may cause a particular account to show in BANNER as NSF – “non-sufficient funds.”

• Campus users should routinely monitor their budgets using the following BANNER forms:
  
  o Open commitments can be seen on FGIBDST
  o Budget summary information can be seen on FGIBAVL
  o Year-to-date transactions can be seen on FGITRND

If you have any questions, please contact the following offices: Purchasing (x6329) or Budget (x7355).