



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

Memorandum

To: Agency and Department Directors
Agency and Department Chief Financial Officers

From: Rosemary Booth Gallogly
Executive Director/State Budget Officer *RBG*

Date: November 16, 2006

Subject: "Lesser of Cash or Program" Controls

As you know, we have been working since July on the transition from the RISAIL accounting system operating in FY2006 to the RIFANS system in FY2007. In order to turn on the budgetary controls, there were numerous actions which needed to occur for the controls to operate properly. The most time consuming of these actions included: 1) bringing the old cash balances forward from federal and restricted accounts in the RISAIL system to ensure full accounting of cash resources by account, and 2) reversing payroll and other charges in FY2007 to reflect the accruals in FY2006, taking into account the appropriate mapping of accounts for centralization payrolls now in DOA, and the new Department of Revenue and Office of Health and Human Services. These transactions were executed in October and November, but we have learned that pre-encumbrances and encumbrances may be overstated. This would occur if payments were made but the encumbrance was not liquidated, or if requisitions remained in the pre-encumbrance status after sourcing. This may cause your accounts to bump up against budgetary control inappropriately. When a budgetary control is reached, no activity can take place (including vendor payments) so this needs to be resolved as soon as possible. We have developed tools for agencies to use to resolve these issues in an expedited manner.

The cash and budgetary controls will prevent transactions from processing if they will result in expenditures greater than the budget program or greater than the cash balance available (for federal and restricted accounts). Therefore, you should focus on ensuring that your cash draw downs are up to date, and that you have any required authorized red balances for the normal lag in federal drawdowns. The Budget Office will not authorize red balances due to delays in required adjustments between state/federal accounts. Any requests for ARBs on state general revenue accounts must have the signature of the director of the department requesting.

There are several reports available which will assist you in preparing for implementation of RI-FANS budgetary controls:

1. Statements 1-3
2. "Cash Resources Report" from Financial Statements Generator (FSG)
3. RI Encumbrance Detail Report

The RI Encumbrance Detail Report shows your agency's purchase orders and requisitions by Purchase Order Line. This report will act as a change order for making adjustments to your purchase orders. It is the Agency's responsibility to close/cancel any outstanding requisitions. Please see page 14 for instructions for completing and providing this report to the Purchasing Department. It is due to purchasing no later than close of business, Friday, December 15, 2006. If it is not returned to Purchasing by December 15, your changes will not be made prior to turning on Budgetary Controls.

1. Access Statements 1-3 Through: GL Agency User - Reports - Financial

Statement 1 – Statement of Free Balance

Shows: Annual Budgeted amount, YTD expenditures, encumbrances and available balances (Fund, Agency, Line Sequence, Source and Natural Account Level)

Statement 2 – Statement of Free Balance

Shows: Annual Budgeted Amount, YTD expenditures, encumbrances and available balances (Fund, Agency, Line Sequence, and Source Level)

Statement 3 – Statement of Free Balance

Shows: Annual Budgeted Amount, YTD expenditures, encumbrances and available balances (Funds Agency and Line Item Level)

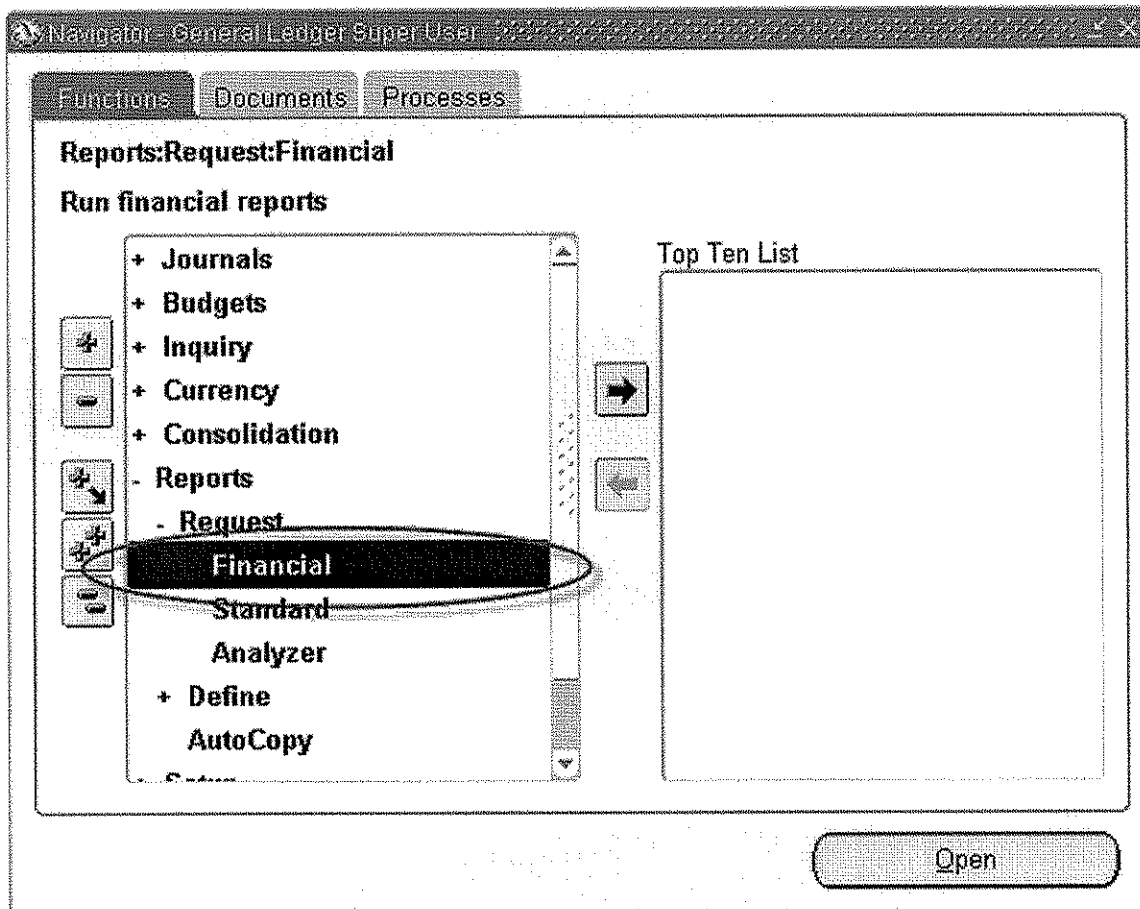
2. "Cash Resources Report" from Financial Statements Generator (FSG)

Shows: Cash balance forward, YTD receipts, expenditures and available cash balance

Each agency should draw down all federal cash eligible to be drawn down to reimburse expenditures made. There is a cash resource report that will display the cash position of every federal, restricted and other account. A new natural account was added to the chart of accounts so

that the cash balance forward (positive or negative) can be easily identified. Run this accounts as follows.

- From the “GL Agency User” Responsibility
 - Select “Reports”
 - Select “Request”
 - Select “Financial”



- The Financial Report form will open.
- Select the following parameters by placing your cursor in the field you wish to change.
 - “Report” field - Select the “Cash Resources Report” from the list of values. Use the wildcard “%” symbol to view all available reports.

Run Financial Reports (ST of RI)

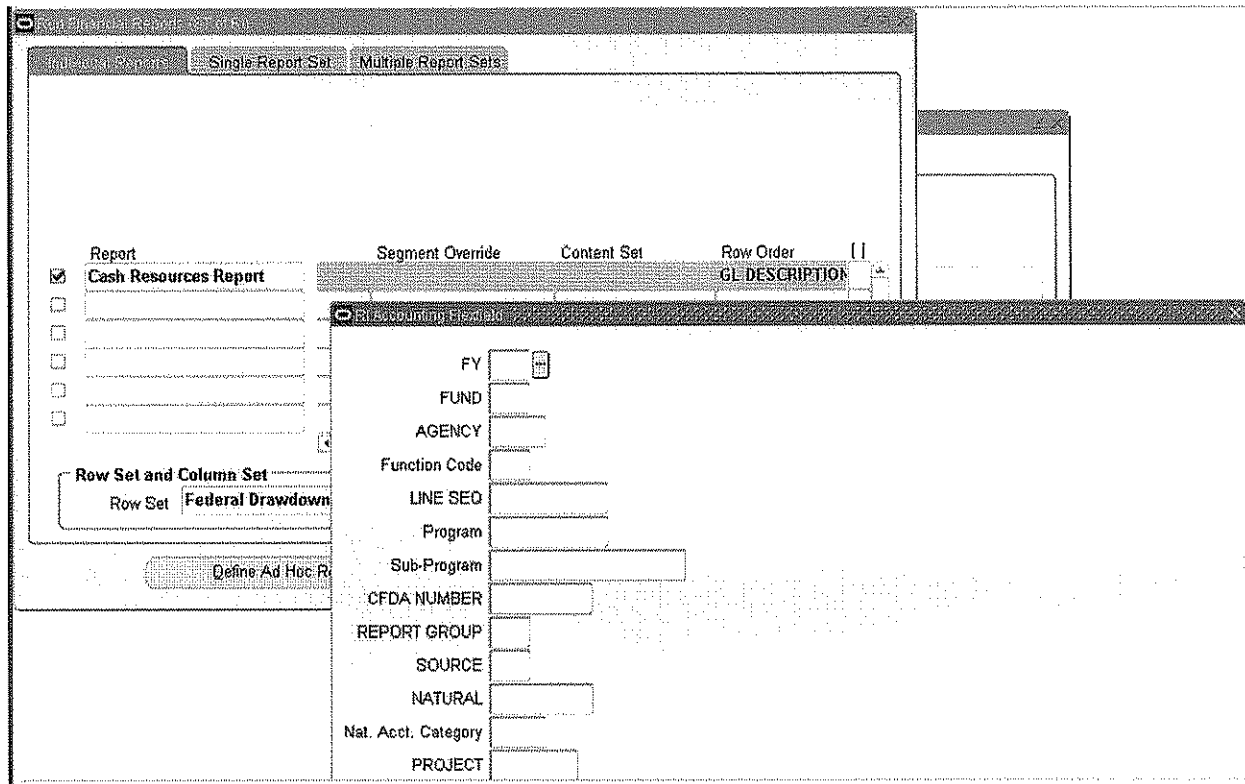
Individual Reports Single Report Set Multiple Report Sets

Report	Period	Currency	Request ID	Segment Override
<input checked="" type="checkbox"/> Cash Resources Report	NOV-2006	USD		
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

Row Set and Column Set

Row Set: Column Set:

- **“Period”** will default to the current open GL Period. This period can be changed if required.
- **“Segment Override”** field – select the Agency Number or override any other segment.



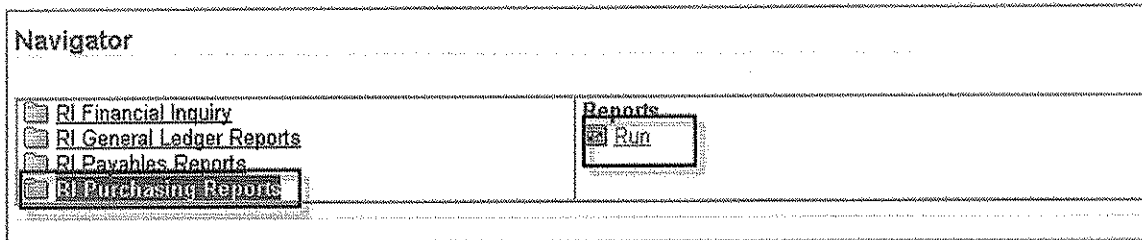
- Click the “**Submit**” button – Note the Request ID Number
- From the Windows Menu go to View -> Requests
- Click the “**Find**” button
- Query the Request ID
- Click the “**View Output**” button
- Copy and save in excel to print

3. Purchase Orders

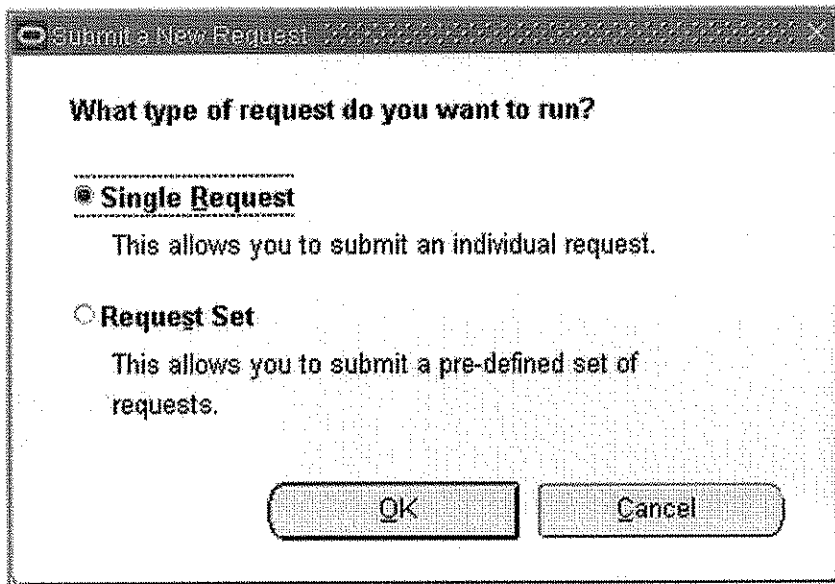
Shows: All outstanding purchase order balances

How to run the “RI Encumbrance Detail Report” program.

- Use Inquiry/Inquiry user



- Choose RI Purchasing Reports → Run



- Click - “OK”

Run this Request...

Name: RI Encumbrance Detail Report

Parameters:

Language: American English

Buttons: Copy..., Language Settings..., Debug Options...

- Enter “RI Encumbrance Detail Report” for Concurrent program name
- Hit “Tab”

Parameters

Title:

Accounts From: [Highlighted]

To:

Cost Centers From:

To:

Encumbrance Dates From:

To:

Document Type:

Vendors From:

To:

Dynamic Precision Option: 2 -9,999,990.00

RI Accounting Field

	Low	High
FY		
FUND		
AGENCY	068	068
LINE SEQ		
SOURCE		
NATURAL		
PROJECT		

Buttons: OK, Cancel, Clear, Help

- Click in the “Accounts From” field
- The program has a number of parameters including individual segments of the RI Account
- Enter the segments for the data you require
- Click - “Ok”

Submit Request

Run this Request...

Copy...

Name: **RI Encumbrance Detail Report**

Parameters: **...068.....068.....:2**

Language: **American English**

Language Settings... Debug Options

At these Times...

Run the Job: **As Soon as Possible**

Schedule..

Upon Completion...

Save all Output Files

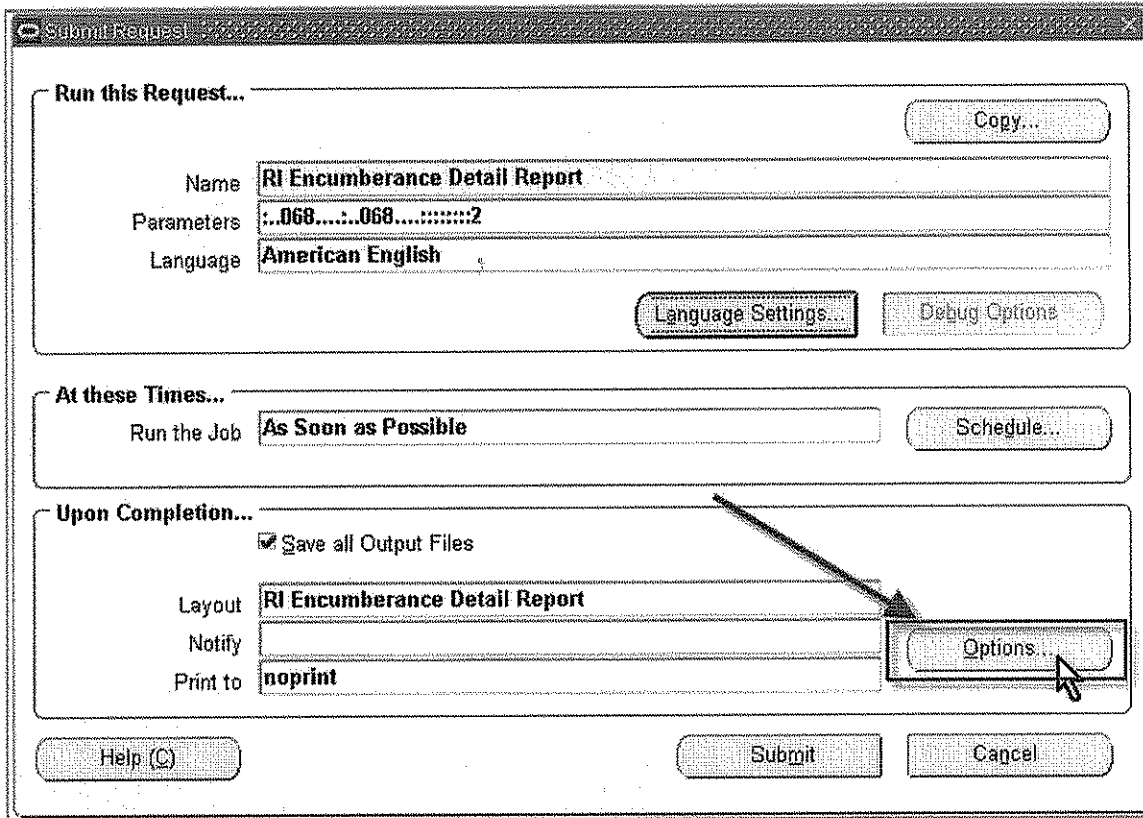
Layout: **RI Encumbrance Detail Report**

Notify:

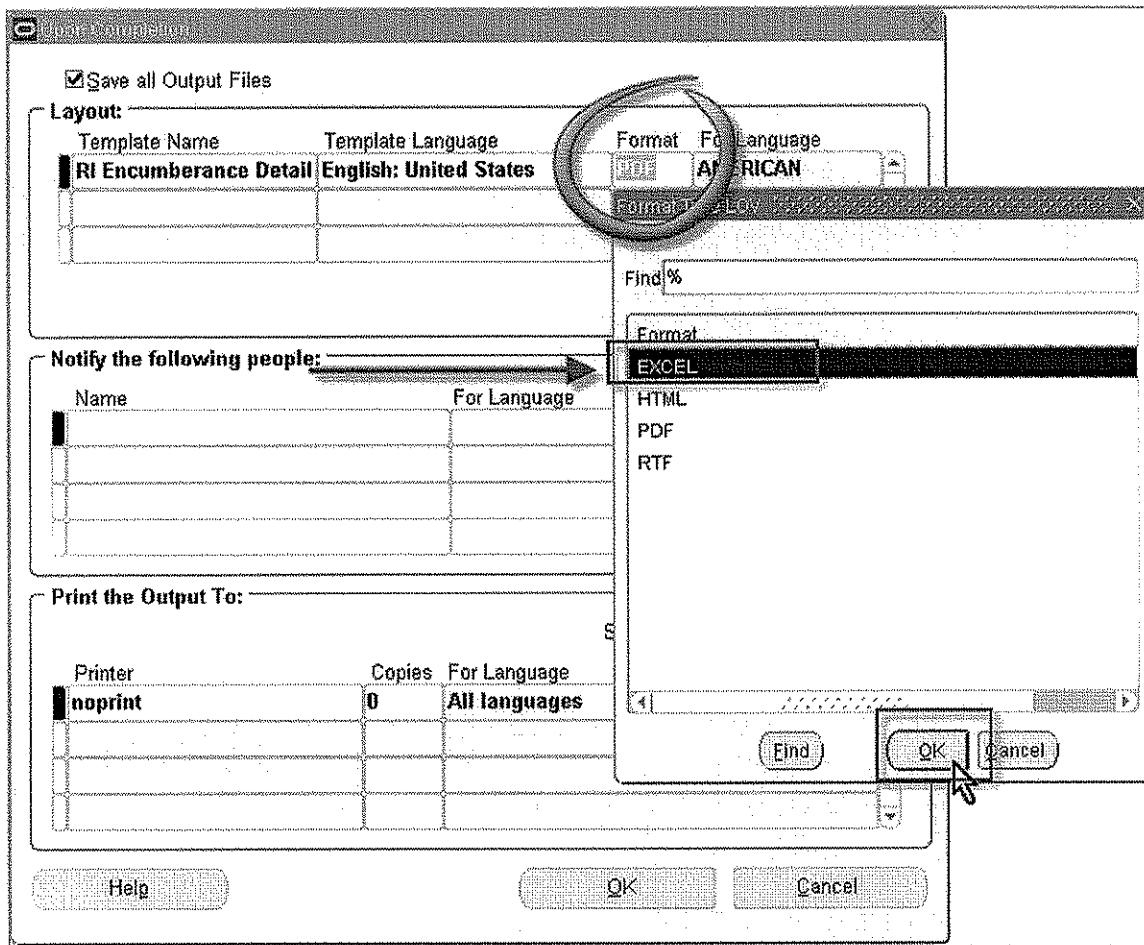
Print to: **noprint**

Options

Help (C) Submit Cancel



- Click - "Options"



- Click in the "Format" field and then on the "List of Values" button (3 dots)
- Choose "EXCEL" from the Format LOV
- Click - "OK"

Iron Completion

Save all Output Files

Layout:

Template Name	Template Language	Format	For Language
RI Encumbrance Detail	English: United States	EXCEL	AMERICAN

Preview

Notify the following people:

Name	For Language

Print the Output To:

Style Landscape

Printer	Copies	For Language
noprint	0	All languages

Help OK Cancel

- Click - "OK"

Run this Request...

Name: **RI Encumbrance Detail Report**

Parameters: **..068.....068.....:2**

Language: **American English**

At these Times...

Run the Job: **As Soon as Possible**

Upon Completion...

Save all Output Files

Layout: **RI Encumbrance Detail Report**

Notify:

Print to: **noprint**

Buttons: Help (C), **Submit**, Cancel

- Click - “Submit”

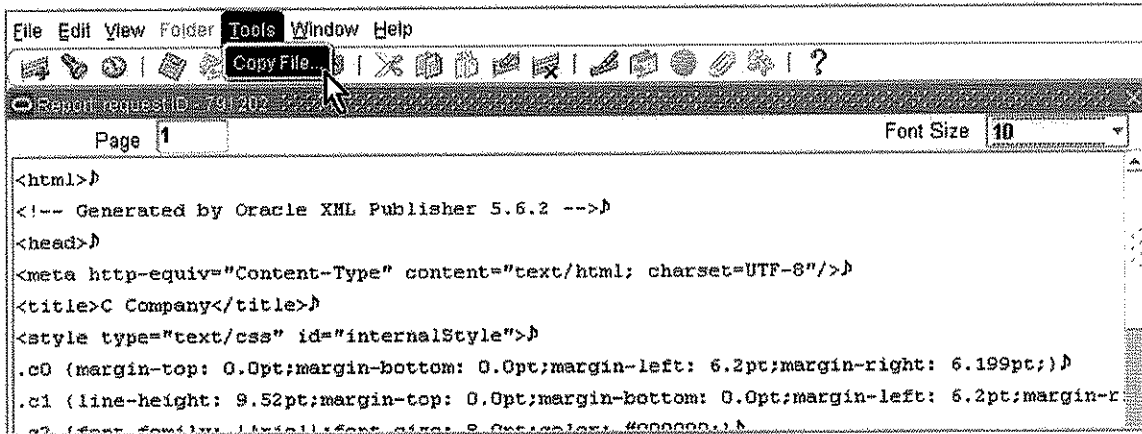
Buttons: Refresh Data, Find Requests, Submit a New Request...

Request ID	Name	Parent	Phase	Status	Parameters
791202	RI Encumbrance Detail		Completed	Normal	,50268,..068.....,..068....., , ,

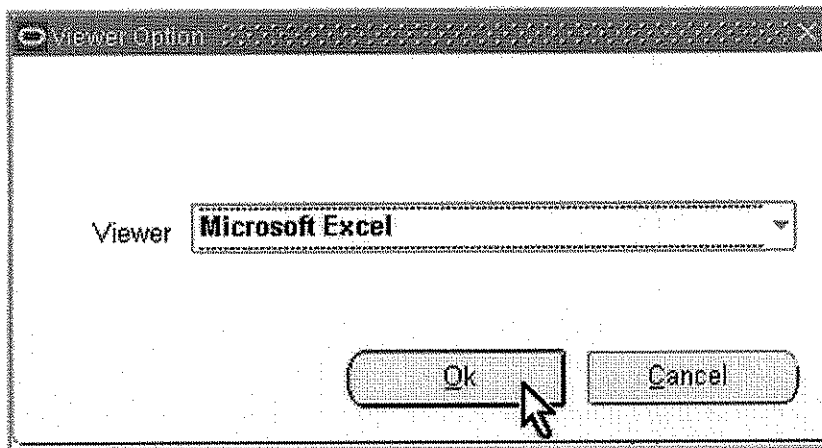
Buttons: Hold Request, View Details..., **View Output**

- Hit “Refresh Data” until the program is finished and click on “View Output”

NOTE: You may have to wait longer to view the output than is indicated by the phase field.



- Click - “Tools” → “Copy File”



- Click - “OK”

Summary of Purchasing Encumbered Amount by Account				
Account	Total Purchase Encumbrance	Number of POs with a balance	Number of Requisition with a	
07.59.068.1555106.09.640100.00000	50214.9	19		
07.59.068.1555110.09.634400.00000	23	1		
07.59.068.1555110.09.640100.00000	13919.31	20		
07.59.068.1555112.09.644120.00000	60750	1		
07.59.068.1555115.09.636200.00000	395	1		
07.59.068.1555115.09.640100.00000	98065.59	2		
07.59.068.1555115.09.641600.00000	494.48	2		
07.59.068.1555115.09.643120.00000	24.99	5		
07.59.068.1555115.09.643180.00000	471.5	3		
07.59.068.1555115.09.644300.00000	181.17	1		
07.59.068.1555115.09.644400.00000	1115.73	1		
229675.65				

Detail of Purchasing Encumbered Amount by Account				
Type	Account	PO or Requisition Number	Line	Distribution
Purchase Order	07.59.068.1555106.09.640100.00000	300155	1	
Purchase Order	07.59.068.1555106.09.640100.00000	300155	1	
Purchase Order	07.59.068.1555106.09.640100.00000	300160	1	
Purchase Order	07.59.068.1555106.09.640100.00000	301110	1	

NOTE: If the report does not open in Excel, call the Enterprise Service Center at 222-5709, and they will assist you. There may be a setting change that needs to occur which can be handled over the phone.

Once you have opened the report please do the following:

- Add two columns to the right end of the report
 1. Change Order Reason
 2. Increased/Decreased Amount
- Review your lines, in the “Detailed Listing” section of the report and determine if a change is required
 1. **No change is required** - enter none in the Change Order Reason Column and leave the Increased/Decreased Amount Column blank
 2. **Close/Cancel the line** - enter the reason in the Change Order Reason Column and enter 0 (zero) in the Increased/Decreased Amount Column
 3. **Decrease the amount on a line** - enter the reason in the Change Order Reason Column and enter the amount you would like the line to be, not what you want the line to be decreased by.

Example: Line 1 – encumbered amount \$100 – you would like it to be \$40 enter \$40 into the increased/decreased amount column NOT \$60 which is what you would like it to be decreased by.
 4. **Increase the amount on a line** - enter the reason in the Change Order Reason Column and enter the amount you would like the line to be. Not the amount you would like to increase by, as described in #3.
- Remember to take into consideration any payments in transit.
- Name the file as follows: (agency name)_change order_12_15_2006
- Purchasing will only accept one file per agency.
- Email your file to Donna Brennan at dbrennan@purchasing.state.ri.us, no later than close of business Friday, December 15, 2006. Include the name and phone number of the contact

person for any issues or questions on this report in your email.

- Print out a copy of your file and have it signed by your agency's authorized agent and send it to Donna Brennan at the Department of Administration – Purchasing, 2nd Floor via interoffice mail. This file must be received by Purchasing no later than the close of business Friday, December 15, 2006. This copy will be retained for auditing purposes.
- Purchasing will make every attempt to complete all cancel/close and decrease requests before Budgetary controls are turned on. Increase requests will be handled after Budgetary Controls have been turned on and with each agency individually.
- Reminder: It is the agency's responsibility to cancel/close any requisitions. Purchasing will only be working on Purchase Orders.

RBG:ss07-10