

MS 710 YEAR-END FISCAL CLOSEOUT

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1.0 PURPOSE

This Manual Section sets forth policies and procedures for fiscal year-end close-out of accounting records in order to determine accurately the financial position of the Peace Corps at the close of the fiscal year, and to report the consolidated financial position of the Agency to the Department of the Treasury and Office of Management and Budget.

2.0 POLICY

The activities and information requirements described in this Manual Section are necessary to ensure the integrity of Peace Corps' financial systems. Individuals shall be assigned in each office to ensure the timely submission of data and preparation of accurate financial reports. It is the responsibility of the head of each headquarters office, regional office, and overseas post to assure that personnel engaged in year-end review and correction of fiscal records perform their duties carefully so that all records are accurate when the close-out process is completed.

3.0 OBLIGATIONS

3.1 Validity Criteria

The criteria for obligations contained in 31 U. S. C. 1501, GAO Policy & Procedures Manual, Title 7, Chapters 4 and 5, ONE Circular A-34, Part II, and 4 FAM 050 provide the basis for determining validity and the rules to be applied in ascertaining the proper fiscal year chargeable for any questionable obligation.

Obligations incurred are defined as amounts of orders placed, contracts awarded, services rendered, and similar transactions during a given period requiring the expenditure of funds. Such amounts may include payments not preceded by recorded obligations (except travel advances recorded in the automated accounting system), and reflect adjustments for differences between obligations and actual payments. In those cases where the exact amount of an obligation is not known at the time it is incurred, the best estimate of the amount to be paid subsequently is used.

The basic rule for lawfully obligating funds is that the items obtained or services received must fill a bona fide need during the period of availability for obligation, including stock replenishment, and that the obligation is not incurred at a date earlier than is necessary for the successful conduct of the Government's business.

No obligations may be recorded that are not supported by a valid obligating document. Only contracts or purchase orders which sufficiently specify the responsibilities of the parties and are signed by COB September 30 are valid obligation documents of the fiscal year. Requirements which do not relate to the current fiscal year shall be obligated after September 30 against the following fiscal year's funds, if otherwise appropriate, subject to fund availability .

3.2 Review of Open Obligations

(1311, Report of Open Obligations) - Domestic Only. Computer printouts are prepared for all remaining unpaid during the current fiscal year. The printouts for the preceding fiscal year and prior years are prepared as of August 31 of the current fiscal year, and the current fiscal year obligations status are prepared as of August 31 and September 30.

Each headquarters office and domestic regional office (VRS/R) shall review the listings of open obligations and the file of open obligations maintained in the respective offices. The review should begin as soon as the

printouts are received. The objective is to verify Agency records, develop accruals, and assure that outstanding amounts reasonably represent the amount the Peace Corps will ultimately be expected to pay.

3.2.1 Negative Unliquidated Balances and Validity Criteria

The first step is to review the listing for negative unliquidated balances(i.e., where the actual cost is higher than the obligated amount). These should be resolved for all transactions before the review of unliquidated obligations begins. The next step is to check each obligation against the validity criteria outlined above in 3.1 and apply the following tests:

- Are the document numbers and obligation amounts shown on the listings supported by valid obligation documents which agree with the listings?
- Does the amount obligated reasonably represent the amounts ultimately expected to be paid?
- Is the obligation applicable to the fiscal year shown on the listings and on the documents?

NOTE: Unless the obligations meet all three of the above requirements, they will require adjustment or cancellation.

3.2.2 Valid Unpaid Obligations and Change of Scope

A review shall also be made to determine if there are valid unpaid obligations not recorded on the computer printout. Headquarters and domestic regional offices should report these items to the Accounting Operations Branch, M/FM/A, for appropriate action.

Finally the review should assure that obligations which change the scope of or amend original contracts, purchase orders, etc., are valid, and that they are charged to the proper fiscal year, purpose code, object class, and location.

3.2.3 Required Statement

A statement in support of the final adjusted obligations shall be signed by each area office manager and Country Director and forwarded to the Accounting Division along with the manual listing of open obligations specified above by the date designated by the Accounting Division in instructions issued annually.

The statement should read as follows, "I hereby certify that, to the best of my knowledge and belief, amounts reflected in the Status of Funds and other Reports as of September 30,_____, for obligations, are supported by documentary evidence as required by 31 U. S. C. 1501."

3.2.4 Purpose Codes and Agreement with Status of Funds Report

It is the responsibility of each office director to ascertain whether the purpose codes, as reflected in the open obligation listings for all current FY obligations, are correct. (Purpose code definitions are included in the Fiscal Coding Handbook).

The Year-to-Date Balances reported on the Status of Fund (RIC 0041 or RIC 0055) for each office as of the close of the fiscal year should contain all obligations that are properly chargeable to the appropriation. It is the responsibility of each office director to ascertain that the Status of Funds Report is in agreement with their cuff records, and that it contains all known obligations. No new obligations may be incurred against expired fiscal year funds after the close of the fiscal year. However, when valid adjustments are required or when unrecorded items are found, they must be recorded against the proper fiscal year funds.

3.3 Overseas Posts

Overseas posts shall comply with the review procedures outlined in paragraphs 3.2.1. through 3.2.4.

3.3.1 Peace Corps Posts Serviced by RAMC Paris, RAMC Mexico, RAMC Bangkok

The final RAMC 62 report will serve as listing of open obligations. All adjustments resulting from the review shall be furnished to RAMC Paris, Bangkok or Mexico in time to be included in the final RAMC 62 report for September. (See paragraph 4.11. for an explanation of overseas September reporting requirements.)

NOTE: Any post preparing listings of open obligations shall retain such listings at post for review and audit purposes.

3.3.2 Posts Serviced by PC/Washington

Those posts receiving fiscal support from Peace Corps/Washington are not subject to the closing instructions contained herein. The obligation, expenditure, and other information recorded and compiled by Peace Corps/Washington constitutes the official records for these posts. Therefore, to permit the recording of obligations and accruals as of September 30, items 1 -6 should be sent to Peace Corps addresses as indicated below.

Items 1 -3 should be sent to: ATTN: Peace Corps Fiscal Services Branch, M/FM/A 806 Connecticut Ave., N. W. Washington, D. C. 20526

1. Imprest Fund reimbursement vouchers and other payment documents received locally and not previously submitted to Peace Corps.
2. Invoices, travel vouchers and other payment documents received locally and not previously submitted to Peace Corps.
3. Travel Authorizations and other information concerning unpaid obligations as of September 30 not previously submitted to Peace Corps.

Items 4 -6 should be sent to: ATTN: Peace Corps Accounting Operations Branch, M/FM/A 806 Connecticut Ave., N. W. Washington, D. C. 20526

4. PC-720 -Host Country Contributions Report (Manual Section 722).
5. PC-1425 -Annual Financial Reports of Property (Manual Section 511).
6. PC-842(b) -report on Peace Corps Partnership Program (Manual Section 720). (7) Cable report of current year obligations by purpose code and object class code, due by October 15.

4.0 REVIEW OF OBJECT CLASS DETAIL

The Fiscal Coding Handbook includes a complete listing and definitions of object classes. The following procedures should be used in reviewing object class data:

4.1 Travel-General

The obligations are not incurred until the travel is actually performed or until the ticket is purchased. All travel beginning near fiscal year-end and continuing into the following fiscal year, and related travel expenses, must be carefully reviewed to determine which fiscal year(s) should be charged.

4.2 Domestic Travel

If travel begins in one fiscal year and ends in another fiscal year, obligations (per diem, subsistence, miscellaneous expenses) are chargeable to the fiscal year in which the expenses are incurred, on a day-to-day basis. Transportation is chargeable to the fiscal year in which travel begins and includes the return portion of a roundtrip ticket for travel to be performed in the following fiscal year. However, additional transportation purchased separately in the next fiscal year or subsequent return changes in travel tickets are chargeable to the next fiscal year. Transportation purchased by blanket GTRS issued to travelers in the current fiscal year for travel to begin in the next fiscal year must be charged to the next fiscal year.

4.2.1 Temporary Duty Travel (TDY)

TDY expenses within the U. S. are chargeable to the fiscal year in which expenses are actually incurred. Per diem, subsistence, and miscellaneous expenses involving two fiscal years are chargeable to the fiscal year in which expenses actually accrue, i. e. on a day-to-day basis.

4.2.2 Employee Transfers

Reimbursable expenses of an employee transferred (i. e. change-of-station in the U. S.) in the interest of the Government must be charged against the appropriation current when valid travel orders are issued (Comptroller General Decision B-213530 dated November 2, 1984).

4.3 International Travel

All expenses for travel abroad, including both temporary duty and assignment to post travel of staff, trainees, Volunteers and their dependents, that begin in one fiscal year and extend into the next fiscal year must be charged as valid obligations against the fiscal year in which the travel orders are issued. It is not necessary to allocate the costs between fiscal years. However, travel must occur within a reasonable time in the following fiscal year.

International travel “begins” whenever any item of expense is incurred against a validly issued travel authorization. Incurred expenses include purchase of personnel transportation, entitlement to per diem, inoculations, passport photos, passport fees, health certificates, copies of birth and/or marriage certificates, transportation services (packing, hauling, storage, delivery, etc.), and transportation of things (household effects and unaccompanied baggage).

Included in international travel is the domestic portion of travel that is continuous with travel overseas.

4.4 Travel Advances

The following procedures apply to the handling of travel advances:

4.4.1 Procedures

- Outstanding travel advance amounts charged to the current fiscal year and prior fiscal year funds should be accurately reported. Special efforts should be made to cancel or liquidate amounts outstanding prior to September 30.
- Prepayments should be reported in the amounts outstanding as of September 30 (Peace Corps 212D Report).
- All amounts owed the Agency as accounts receivable based upon actions taken in accordance with MS 777, Billings and Collections Procedures -Debts and Claims, or other billing actions will be reported to

M/FM/A on the Form PC-212D as taken from Form PC-1565 or other appropriate form (e. g. Register of Billings and/or Collections Transactions).

- Credit balances for advances or other receivables shall be researched and adjusted as appropriate. No credit balances shall remain open in receivables when the books are closed.

4.4.2 Transfers to new Appropriation Account

(Note: this section is implemented by the Accounting Division) Section 21.6, Chapter 5 of Title 7 of the GAO Manual requires that travel advances be transferred to the new appropriation account from the expiring account as soon as practical after the beginning of the fiscal year.

The initial step will be to review all travel advances that are outstanding. Vouchers for travel already performed should be processed prior to October 1. If the advance should not remain outstanding, the collection should also be processed prior to October 1.

As soon as possible after the first day of the next fiscal year funds become available (i. e., when the President signs an appropriation or continuing resolution), the advances must be transferred to the new appropriation account. Each advance requires that two transactions be entered into the accounting system: the first to reverse the advance out of the old appropriation and the second to enter it into the next fiscal year.

When the transferred advances are liquidated, the liquidation must cite the next fiscal year appropriation; any associated expenditure must cite the appropriation for the fiscal year in which the travel was performed.

4.5 Review of Contracts, Vouchers, Purchase Orders, etc.

The open file of vendor invoices, vouchers, unpaid purchase orders, receiving reports, etc., shall be examined and a determination made as to whether action should be taken to establish accruals, or to reject any billings. All open items reviewed shall be stamped “obligated” or “accrued” and shall show the date (after adjustment for rejected claims, etc.)

4.6 Rents, Communications, and Utilities

4.6.1 Unpaid Invoices

Accruals shall be established for all unpaid rentals, leases, communications and utilities as of September 30. A comparison of the amount obligated and the accrued expenditures must be made to ensure compatibility. Where possible, the accrual will be based on billings received for the period.

4.7 Printing and Reproduction

4.7.1 Unfilled Printing Requisitions

(Domestic Only). Obligations shall be established for all unfilled GSA printing requisitions as of September 30. In addition, accruals will be recorded for all printing services rendered for which payment has not been made.

4.8 Job Orders

4.8.1 Repairs-maintenance, etc.

(Domestic Only) . Job Orders issued to GSA for repairs, maintenance, and space alterations generally cite a time limitation. Each of these documents shall be verified as to validity of outstanding orders.

4.9 Reimbursable Details

(Domestic only) . The Accounting Operations Branch, M/FM/A, will contact the Office of Personnel Policy and Operations, (M/PPO) and obtain a listing of reimbursable details (in and out) in effect at the close of the fiscal year.

This list will include the name of each individual, his/her rate of pay (including any reimbursable provision for leave, administrative costs, etc.), the name of the Agency from which or to which detailed, the office to which assigned for detail and the length of the time that each individual has been on a reimbursable detail during the current fiscal year. This information will be used to establish accrued costs of services rendered but not paid.

4.10 Imprest Funds

4.10.1 Domestic

Imprest Fund Cashiers are required to submit copies of the fiscal year-end reimbursement vouchers without accompanying sub-vouchers as of September 30 covering all cash payments made through C. O. B. September 30. The Fiscal Services Branch, M/FM/A, is responsible for follow-up to obtain vouchers from cashiers. All imprest funds should be carefully reviewed to insure recording of all current fiscal year items by mid-October of the new fiscal year.

4.10.2. Overseas Posts

At the end of September, there should not remain any open balances in object class code 9710, "Temporary Imprest Fund changes." Once the "final replenishment" voucher has been processed by the PC Post for the fiscal year, all amounts remaining for object class code 9710 should be deobligated. Any amounts still open for prior fiscal years should also be deobligated.

4.11 Overseas Posts September Reporting Requirements

4.11.1 Certification

A statement signed by the Embassy administrative officer or designee for each post as of September 30, will be submitted in support of the obligation amounts on the September reports. This statement should read: "I hereby certify that, to the best of my knowledge and belief, the amounts shown on the PC-212-A, or RAMC-60 Reports, as applicable, as of September 30, _____ for unliquidated obligations are supported by documentary evidence as required by 31 U. S. C. 1501."

4.11.2 Reports

The September PC-212-A and D, and PC 401 reports as of September 30, (and comparable reports such as the RAMC 60, produced by RAMC, Paris, Bangkok and Mexico) with related certification statements prescribed in this Manual Section as applicable, should be mailed so as to arrive as soon as possible after September 30, but not later than the date prescribed annually by the Accounting Division (M/FM/A).

In addition, the following reports, as applicable, should be transmitted so as to arrive in Peace Corps, Washington no later than the date prescribed annually by the Accounting Division (M/FM/A):

- PC-410 -Status of Travel Advances
- PC-720 -Host Country Contributions Report (MS 722)
- PC-1425 -Annual Financial Report of Property (MS 511)
- PC-842C -Quarterly Report of Financial Status (MS 720)

- PC-804 -List of Payments Charged to Volunteer Readjustment Allowance Account 11X6016 for the final period of FY 19__ (See MS 223 and 284).

As part of the fiscal year-end closing requirements, the dollar liability for unused annual and sick leave earned by staff employees is recorded on the Peace Corps books by Peace Corps/W. Accordingly, a listing is required to be furnished by each post showing the following data for all overseas Peace Corps employees, including Host Country Nationals, who earn annual and/or sick leave and are payrolled locally, or at a centralized point (other than through the Department of State's Consolidated American Payroll Processing System -CAPPS):

- Employee Name
- Number of hours of annual and sick leave unused as of the end of the last pay period for September 19__
- Hourly rate of pay.
- U. S. dollar value of the annual and sick leave (Number of hours x rate of pay).
- This listing should accompany the September accounting reports, or if necessary in order not to delay the September reports should follow as soon as possible thereafter, but no later than mid-October.

All reports must be forwarded to PC/W, Accounting Operations Branch, M/FM/A.

4.11.3 Cashier Reporting Requirements for Fiscal Year-end Closeout

Peace Corps Country Directors should assure that the requirements of MS 760 are observed to permit submission of final reimbursement vouchers as of September 30, and other information as follows:

- A copy of the September 30 Reimbursement Voucher (without subvouchers).
- A listing as of September 30, showing:
 - Name and location of each Principal Class B Cashier, and Alternate(s); show maximum authorized advances in U. S. dollars (if applicable) and foreign currency (indicate U. S. dollar equivalents);
 - Name and location of each Sub-cashier;
 - Employment status of each Principal B Cashier, alternate, and sub-cashier, (e. g., U. S. direct hire permanent employee, Volunteer, Volunteer Leader or direct hire local employee);
 - Total amount on hand as of September 30 (not the maximum limit authorized, unless identical). Amount shown should be in U. S. dollars and foreign currency (U. S. dollar equivalent);
 - Adjustments desired in maximum cash advance levels, or changes required in exceptions or authorizations as cited on reverse of SF-211 or its attachments;
 - Date of last cash count;
 - For all advances outstanding as of September 30, the name, date issued, amount, and reasons why not cleared or returned;
 - Report all shortages, losses or other irregularities not previously reported or for which relief has not been provided by Peace Corps;

- Average weekly replenishment for the past six months in local currency and U. S. dollar equivalency (A listing of the totals of all replenishment vouchers during the past six months by date, should accompany this calculation); and
- Date and name of the person who conducted the last imprest fund audit.

Forward all required documentation to Peace Corps/Washington, by October 30:

Peace Corps Fiscal Services Branch, M/FM/A

806 Connecticut Ave., N. W.

Washington, D. C. 20526

5.0 EFFECTIVE DATE

This Manual Section shall take effect on the date of issuance.