

ACCOUNTING PROCEDURE

TOPIC: Contract Administration 5.2	EFFECTIVE DATE: 4/11/94
TITLE: CARS Processing: Cutoff for Calendar Year Reconciliation	REVISION DATE:
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BACKGROUND

During the Legislative Audit Bureau's review of the CY 1992 reconciliation of aids appropriations, it was discovered that the lapse amount was not correct for an aids appropriation. This variance occurred because a CY 1992 contract amendment de-obligating funds was processed by a contracting division and entered into the CARS system in late July, 1993, and the CARS report that is run in early July must be used for determination of final lapse amounts.

POLICY

As indicated in **CONTRACT ADMINISTRATION 5.0 (CARS Close-out Procedures: Non-Municipal Contracts)**, the cut-off date for calendar year contracts is July 1. To prevent lapse amounts from being incorrect, this date must be adhered to.

PROCEDURES

1. After July 1, any transactions (expenses, de-obligations, re-obligations, etc.) that relate to a **prior calendar year** may not be entered into the CARS system without specific approval of the BFS Assistant Director and the person responsible for reconciling the affected appropriation(s). Approval can occur only if any related adjustment can be incorporated into the reconciliation process without risk of any variance or audit finding.
2. Contract amendments de-obligating funds must be signed by the vendor(s) and returned to the Department **before** contracts obligating the same funds can be approved for processing.

REFERENCES

CONTRACT ADMINISTRATION 5.0 (CARS Close-out Procedures: Non-Municipal Contracts)

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