

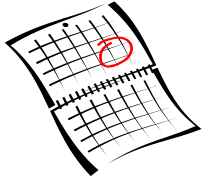
## D. ACCRUED GENERAL FUND EXPENDITURES - OTPS

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### Critical Dates

- **June 30, 2024** – Last date to receive goods and services for Fiscal Year 2024
- **July 5, 2024** – Last date to enter Fiscal Year 2024 Expenditure Payment Request with Period 12
- **July 8, 2024** – Start of Automated Accruals & Clearings (ACCA/ACLA) generated in FMS Accounting for documents with service dates between 7/1/23 thru 6/30/24
- **July 8, 2024** – Start of review of Automated Accruals & Clearings
- **July 12, 2024** – **Last date to submit Accrual Clearings (ACL) for prior year accrued expenditures processed in Fiscal Year 2024**
- **July 13, 2024** – First Encumbrance “Roll”
- **August 3, 2024** – Second Encumbrance “Roll”
- **August 9, 2024** – End of Automated Accruals & Clearings (ACCA/ACLA) generated in FMS Accounting
- **August 10, 2024** – Lapse all open encumbrances; No new Fiscal Year 2024 encumbrance document or increase to existing Fiscal Year 2024 encumbrances can be processed
- **August 12, 2024** – Start set up of Manual Accrual document (ACC) in FMS Accounting and review of Manual Accruals for Fiscal Year 2024
- **August 23, 2024** – End of Set Up of Manual Accrual document (ACC) in FMS Accounting and review of Manual Accrual for Fiscal Year 2024
- **October 31, 2024** – Last date to submit vendor listing to support Open Accrual.



**Note:** The Critical dates for the Department of Environmental Protection year-end OTPS accruals have been issued under a separate cover

### Overview

Financial control, is one of the primary goals of FMS Accounting, includes the establishment of budgetary control over “Other Than Personal Services” (OTPS) expenditures, such as supplies, materials, equipment and services. The New York City Charter establishes the legal budgetary control at the Unit of Appropriation level. The total of pre-encumbrances (requisitions), encumbrances (purchase orders and contracts) and expenditures should not exceed an Agency’s budget at the Unit of Appropriation level. FMS Accounting records commitments using requisitions to reserve funds prior to the issuance of encumbrances. Once an encumbrance has been entered in FMS Accounting, the requisition is cleared. When the Payment Request for encumbrance (PRN2 or PRC2) is accepted into FMS Accounting, the encumbrance is cleared by the payment request and a liability is recorded in FMS Accounting until it is liquidated by the issuance of a check by FMS Accounting.

Generally Accepted Accounting Principles (GAAP), requires that outstanding encumbrances at year-end not be recorded as expenditures. Therefore, if the goods or services referenced by an encumbrance have not been received by June 30, 2024, the encumbrance must “Roll” to the following Fiscal Year, with no expenditure charged against Fiscal Year 2024.

**It is a citywide policy that supporting documents such as invoice should be attached to PR documents in FMS when processing payment vouchers.  
PROPER RECORDING OF EACH AGENCY'S EXPENDITURES IS CRITICAL TO THE ACCURATE REPORTING OF THE CITY'S FINANCIAL RESULTS OF OPERATIONS.**

The "Roll" of encumbrances occurs on July 13, 2024 and August 3, 2024. There should be no interruption of payments to vendors since all encumbrances will be available for processing in the appropriate Fiscal Year. **All Fiscal Year 2024 open encumbrances that are under \$25.00 at the accounting line level will be lapsed on August 10, 2024.**

**1. Procedures**

- Each Agency can access the FMS Accounting (AGOENC-002) report - Aged Open Agreements by Payee/Vendor in Info-Advantage on a monthly basis.
- Agencies should review this report each month and at year-end. Agencies should determine if the open items should be reduced or carried forward to Fiscal Year 2025.
  - Items referencing goods or services received by June 30, 2024 should be left open. These open items will be automatically rolled over to Fiscal Year 2025 if a Payment Request is not processed by August 9, 2024.
  - Items that have not been delivered by June 30, 2024, should be rolled and the expenditure will be charged to Fiscal Year 2025.
- Encumbrances must be established early enough in Fiscal Year 2024 to allow sufficient time for goods and services to be received by the June 30, 2024 cutoff date. Further, it is a violation of the City Charter, as well as the City's purchasing procedures, to place orders with a vendor prior to the acceptance of purchase orders or contracts into FMS Accounting.

**2. Criteria for Fiscal Year 2024 Expenditures**

- Goods and services received by June 30, 2024.
- Utilities and other services - for services received that span two Fiscal Years, **if the Payment Request is processed between July 1, 2024 and July 5, 2024, TWO Payment Requests should be entered into FMS Accounting, one indicating Fiscal Year 2024 charges (Period 12 entered in Accounting Period field) and one reflecting Fiscal Year 2025 charges (Accounting Period field left blank).**  
For those invoices that span two Fiscal Years and are accepted in FMS Accounting after July 5, 2024, FMS Accounting will pro-rate the expenditures into the appropriate Fiscal Year indicated by the Service From/To dates recorded in the service date tab on the Accounting Line of a PR document.
- Program Contracts – Fiscal Year 2024 accruals for program contracts should be established for only those expenditures incurred through June 30, 2024. A program contract is between an Agency and a contractor or vendor to administer programs that provide both social and other governmental services.
- Audits/Evaluation Contracts - Estimated expenditures against contracts for audits, evaluations of programs or program Agency may be charged to Fiscal Year 2024 as long as the period being audited/evaluated is for Fiscal Year 2024. Accruals falling under this category will be accepted, even though, the audit is to be done in Fiscal Year 2024.

- Leases - If an Agency remains in possession of the premises after the expiration of a lease and prior to the lease being renegotiated, rental expenditures for the period between the lease expiration and June 30, 2024 must be accrued.
- Postage - Expenditures for postage, including postal meters and stamps should only be charged to Fiscal Year 2024 if the expenditure applies to items purchased (stamps) or meter amounts increased by June 30, 2024. The purchase of stamps or the increasing of meter amounts on or after July 1, 2024, is a Fiscal Year 2025 expenditure.
- Expenditures for periods of service received through June 30, 2024, for which contract amendments are awaiting approval, represent valid Fiscal Year 2024 expenditures and should be accrued.

### 3. Payment Request Processing in Fiscal Year 2024

Payment Requests should be promptly processed against contracts and purchase orders for goods received or services rendered prior to July 1, 2024. **Fiscal Year 2024 Payment Requests will be processed in FMS Accounting through July 5, 2024 by entering Period 12 in the accounting period field.** Agencies should make every effort to process Fiscal Year 2024 Payment Requests in FMS Accounting before July 5, 2024, to provide sufficient time to correct any errors. **After July 5, 2024, all Payment Requests processed should have a blank accounting period.** They will be charged against Fiscal Year 2025 and an automated accrual document (ACCA) will be automatically generated if they represent valid Fiscal Year 2024 charges (i.e., service period between July 1, 2023 and June 30, 2024 should be entered in the Accounting line section/Service dates tab of the payment request document.) Once the disbursement cycle is completed the associated automated accrual clearing document (ACLA) will be generated to reduce the expenditures in Fiscal year 2025 and charge it back to Fiscal Year 2024. **If a payment request and the associated disbursement is cancelled in the current Fiscal Year during the automated accrual period the related ACCA/ACLA are automatically cancelled. Additionally, if a payment request is cancelled after the automated accrual period, the ACLA document is automatically cancelled but, please ensure that the related ACCA document is also cancelled to accurately reflect the cancellation processed.**

***The criterion for transferring a Fiscal Year 2025 charge to Fiscal Year 2024 is that goods were received and/or services were performed no later than June 30, 2024.***

### 4. Accrued Expense (Refer to Automated Accrual and Clearing Manual located on the FISA Training Portal)

- **Payment Request items**

For Payment Requests accepted into FMS Accounting from July 8, 2024 to August 9, 2024, with service dates between July 1, 2023 thru June 30, 2024, ACCA/ACLA will be automatically generated by FMS Accounting to transfer these charges back to Fiscal Year 2024. The ACCA is generated when the payment request is Final and the ACLA is generated when a payment is disbursed.

The Agency should review the ACRI table or Document Catalog (using the PR Document ID and doing a Forward Reference to view ACCA/ACLA) to verify the validity of the automatically generated ACCA and ACLA documents and should have all documentation available for review by the Accrued Expenditures Unit to substantiate the Fiscal Year 2024 charges. The review of ACCA and ACLA documents will begin on July 8, 2024 by the Comptroller's Office, Bureau of Accountancy, Accrued Expenditures Unit.

If Payment Requests are accepted into FMS Accounting from July 8, 2024 through August 9, 2024, and ACCA and ACLA documents are **not automatically** generated due to a key punch error on the service period From/To Dates, but the expenditures are for goods or services received no later than June 30, 2024, the Agency **should include these items in the Manual Accrual (ACC) set up and clear the FY 2024 charges using the Manual Clearing (ACL) in FY 2025.** All supporting documentation pertaining to these transactions should be available to substantiate the Fiscal Year 2024 charges.

Automated generation of multi-year accrual documents will automatically prorate prior year expense whenever a Payment Request has service periods (From/To dates) that span two Fiscal Years. **Service periods prior to July 1, 2023 will not have an automated ACCA document generated. These should be cleared against prior year accruals in November.**

▪ **Items not Processed using a Payment Request**

Manual accrual documents (ACC) must be prepared for those items received and/or services performed prior to July 1, 2024 for which no payment request has been accepted into FMS Accounting by August 9, 2024. The manual accrual documents with a prefix of 'OTPS24' should be manually entered into FMS Accounting to establish the accrued expenditure for Fiscal Year 2024.

**Submission of the Manual Accrual Package and Vendor Listing**

- Manual Accrual documents are to be entered into FMS Accounting beginning August 12, 2024.
- The final date to enter manual accruals is August 23, 2024.
- The schedule of Accrued Expenditures should be submitted to the Accrued Expenditures Unit via email to the [AccruedExpenditures@comptroller.nyc.gov](mailto:AccruedExpenditures@comptroller.nyc.gov) mailbox for review no later than August 23, 2024.
- A listing of vendors to support all agency open accruals for FY 24 and prior, is due no later than October 31, 2024. For purposes of maintaining adequate supporting documentations to justify the City's obligations due for services performed or goods received, it's important that this detail is submitted to our office by the stated deadline. (See sample template of Vendor Support for Open Accruals on page 30).

▪ **Documentation required for supporting Fiscal Year 2024 expenditures**

A. For goods:

- ⇒ Vendor invoices
- ⇒ Proof of delivery dated June 30, 2024 or prior.

B. For services:

- ⇒ Vendor invoices, or
- ⇒ Signed vendor certifications that the services were performed by June 30, 2024.

- C. Program contracts:
  - ⇒ Claims or bills showing expenditures incurred through June 30, 2024, payments or advances applied to these expenditures should be reflected
- D. Leases:
  - ⇒ Rent bills showing the amount of expenditures incurred through June 30, 2024.
- E. Retainage:
  - ⇒ If retainage withheld has not been entered in FMS Accounting, submit computation as to how the retainage amount was determined (usually shown as a deduction from the vendor's invoice),
 

i.e.:	Vendor's Invoice	\$10,000
	- 1% retainage	\$100
  - ⇒ Date the retainage amount will be paid, or
  - ⇒ Explanation why the Agency is not using FMS Accounting to withhold retainage.



**NOTE:**  
Retainage functionality is available in FMS Accounting for both General and Capital Funds.

**Adjustments and Clearings of manual accruals**

When an Agency submits a manual accrual document (ACC) to accrue expenditures for Fiscal Year 2024, a subsequent manual clearing document (ACL) must be submitted to the Comptroller's Office, Bureau of Accountancy, Accrued Expenditures Unit when a partial or full payment is made in Fiscal Year 2025 for the Fiscal Year 2024 accrued expenditure. The processing of the accrual clearing document will decrease the expenditure in Fiscal Year 2025 and reduce the open accrual in Fiscal Year 2024.

- **At no time** should the total amount to be cleared for a particular Agency code unit of appropriation - budget code - detail object code structure exceed the accrual originally established on the manual accrual document (ACC).
- All manual clearing documents (ACL) will be reviewed with the appropriate supporting documentation (see note below).
- The FY 2025 ACL Document ID's should end with the letter "P".

Agencies should begin submitting the Payment Request Listing (See example of the Payment Request listing on Page 34) to the Accrued Expenditures Unit in Excel format via email to the [AccruedExpenditures@comptroller.nyc.gov](mailto:AccruedExpenditures@comptroller.nyc.gov) mailbox, once information is available. The Accrued Expenditures Unit will begin approving the ACL documents for PR Listings received, **November 1, 2024**. A statistical sample of payment requests will be selected for review. The supporting documentation for the selected payment requests should be uploaded in PDF format to the Comptroller's File Transfer Portal (FTP) if supporting documents have not been attached to the payment vouchers. For more information regarding FTP contact the Accrued Expenditures Unit at the email address provided above.



**NOTE:**

**PDF of the supporting documentation is acceptable. Please remember that files remain on FTP for only 14 consecutive days to conserve space, so it is imperative that you inform the Accrued Expenditures Unit as soon as you have uploaded your files to FTP.**

***Original documentation must be retained on file and available for review upon request;***

**5. Reimbursable Expenditures**

Agencies must ensure that a revenue receivable has been entered in FMS Accounting for every expenditure, actual or accrued which generates reimbursable revenues from a grantor. Further, Agencies making any adjustment (increase and/or decrease) for a reimbursable expenditure must also make a corresponding adjustment for the revenue receivable. **(See Section C.)**

**VENDOR SUPPORT FOR OPEN ACCRUALS SAMPLE TEMPLATE**

For each open accrual on the FMS InfoAdvantage CWA-AGOACR-001 Aged Open Multi Year Accrued Expense report, please provide a listing of the vendors and associated amounts as it relates to each open accrual. \*

<b>Vendor Name</b>	<b>Brief desc. Of service performed or good purchased</b>	<b>Amount</b>	<b>ACC Document ID:</b>	<b>Accounting Line reference</b>	<b>When is payment expected to be issued?</b>
ABC Inc.	Training	\$100,000	OTPS22ABC	1	When we resolve dispute with vendor.
XYZ Educational Services	Speech Therapy	\$50,000	OTPS21XYZ	2	April 2025 after review of invoices received.

\*The Vendor Support for Open Accruals template should be created as an Excel Workbook and include, at a minimum, columns as illustrated above. There may not be a one-to-one relationship with the amount due to a vendor and the amount indicated on an ACC document or the ACC accounting line. Please design the template to fit your agencies needs, but at a minimum, it must include the details above.