




NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

Catherine Truitt, *Superintendent of Public Instruction*

www.dpi.nc.gov

TO: Independent Public Schools Finance Officers
Independent Public Schools Administrators

FROM: Jennifer Bennett 

DATE: June 1, 2023

SUBJECT: **CLOSING PROCEDURES FOR FISCAL YEAR 2022-2023**

To comply with the North Carolina Office of State Budget and Management's closing deadline for the fiscal year ending June 30, 2023, please adhere to the following closing procedures.

We have combined the Independent Public Schools fiscal year 2022-2023 closing letters into one closing letter.

(Charter Schools Only) Failure to comply with the deadlines may result in a financial warning per the "Financial and Governance Noncompliance Policy for Charter Schools" (see policy CHTR-006 in [the North Carolina State Board of Education Policy Manual.](#))

Failure to adhere to the instructions within this memorandum could result in your Independent Public Schools unnecessarily reverting state and federal funds.

Closing Dates and Procedures

Key Dates:

June 5 By this date, please review the financial contact name and information DPI has on file for your charter school datafile at [Independent Public Schools Operations | NC DPI](#). (On this webpage, under the **Data Transfer** heading, under **Datafile Contacts Responsible for ...** and click on the link for **Charter, Lab, and Regional Schools**.) If the contact information is not correct, email the correct name, direct telephone number and email address of the school's contact person to Roxane Bernard at roxane.bernard@dpi.nc.gov.

FINANCIAL AND BUSINESS SERVICES

Jennifer Bennett, Senior Director | Jennifer.Bennett@dpi.nc.gov

6336 Mail Service Center, Raleigh, North Carolina 27699-6336 | (984) 236-2440

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

June 30 **Prior to midnight June 30, 2023, please ensure you complete the following:**

Submit your UERS data files via eMFTS (electronic managed file transfer service).

Transmit all expenditures and refunds using LINQ software.

Submit your BAAS (federal budget amendments) files reflecting federal program activity for the fiscal year.

July 1 **DPI will begin pulling data files on or after 12:01 AM Saturday, July 1, 2023.** Your charter school financial contact **MUST** be available by 7:00 AM on Saturday, July 1, 2023. The independent school's financial contact is responsible for making sure that DPI receives all required data files. This individual must be available until DPI sends a confirmation notification that their data passes all the preliminary validations. DPI will contact the individual on the contact list found under Data File at [Independent Public Schools Operations | NC DPI](#). (On this webpage, under the **Data Transfer** heading, under **Datafile Contacts Responsible for ...** and click on the link for **Charter, Lab, and Regional Schools**.)

Closing Procedures: State Public School Fund and Federal Programs

A. UERS Data File Transfer

You must complete your data files for all June activity and send to DPI via eMFTS by **midnight, Friday, June 30, 2023**.

If you discover problems with your data files and need to resend them, you must notify DPI by 7:00 AM on July 1, 2023. Please notify Roxane Bernard 984-236-2460 or roxane.bernard@dpi.nc.gov.

Note: DPI will not be able to close out the fiscal year for the Public Education section of the State Budget, until **all** June 2023 data files are received from **all** the independent schools. If any charter school's June 2023 data files are not available by the deadline, it affects DPI's ability to close out the entire State Public School Fund.

Your financial contact **MUST** be available by 7:00 AM on Saturday, July 1, 2023. If the initial transfer does not process successfully, DPI will notify you and ask you to transfer your data again. This process will repeat until DPI has received clean data files from all charter schools.

The independent school's contact person at your school is released once your school has received a confirmation notification that your school's data files has been received and verified.

B. June Payroll

For personnel paid from State or federal funding sources, all time worked in June **must** be paid on or before June 30, 2023. Time worked in June may **not** be carried over into July 2023, regardless of the allotment or funding source (except for local funding) accrued into July 2023.

All state and federal obligations of fiscal year 2023, including time worked in June, must be paid by June 30, 2023.

Make sure all absences for the year through the last workday have been reported and appropriate deductions made. You must also make any other adjustments by June 30, 2023.

C. Expenditures

Any expenditures of state funds for the 2022-23 fiscal year not reported by June 30, 2023, will be considered invalid. You will be responsible for covering those expenditures with another source of funds and will be required to refund any excess state cash you received.

Final Cash Zero Out: DPI staff performs a year-end cash zero out process. This procedure compares the year-to-date cash drawdowns by each school with year-to-date expenditures reported by the school from July 1, 2022, through June 30, 2023. This procedure is performed for all state and federal program report codes (PRCs). **Cash drawdowns cannot exceed expenditures reported.** Cash that is drawn down in excess of expenditures reported is pulled back from the charter school.

Invalid Accounts: All expenditures must be coded to valid account codes. The monthly Monitoring Letter notifies your school of any invalid accounts used to code expenditures. The school must reclassify any invalid accounts prior to the fiscal year end close-out. **Failure to correct invalid account code postings may result in incorrect data file postings and the pulling back of state and federal funds during the year end zero out process.**

During the fiscal year end process, DPI will not correct your invalid account codes and the results will be that your school unit will lose their ability to receive the cash

for the expenditures coded to invalid account codes.

The Public School Chart of Accounts with valid account codes by PRC is located at [Chart of Accounts | NC DPI](#) (On this webpage, under the Working Documents FY 2022-2023 heading, click on COA in Excel.)

Federal Only

Federal grant expenditures with may be paid after June 30th, if the federal grant has a September 30th end date.

D. Hospitalization Employee Deductions

Employee Deductions

10-month employees receiving ten payroll checks. You must manage this arrangement by doing the following:

1. Deduct the two additional months for employee hospitalization premiums from the June voucher (if you have not done so in previous months).
2. Issue a voucher to place these deductions in a local non-interest-bearing account.
3. Remit to the proper vendor a local voucher from this non-interest-bearing account during the month the premium is actually due.

The **June** deductions for **July** hospitalization coverage vouchers must be issued for the employee contributions in June. Do not mail the checks at this time. Mail to the proper vendor in July, when the premiums are actually due.

The **June** deductions for **July** hospitalization coverage vouchers must be issued for the employee contributions in June. Do not mail the checks at this time. Mail to the proper vendor in July, when the premiums are actually due.

Employer Payments

Only twelve months of employer matching payments for hospitalization are eligible to be paid in a fiscal year.

DO NOT accrue these premiums; they must be paid during the month the premiums are due.

Therefore, the matching amount for July hospitalization coverage cannot be issued to the vendor until July and must carry a July voucher date.

Mail the employer matching checks along with the deduction checks to the vendor in July.

All employer salary-related contributions for full-time permanent employees, including hospitalization benefits, are to be prorated based on the actual percentage employed in each fund.

**E. Federal
Indirect Costs**

Calculate your indirect cost in June after all other expenditures for June have been processed.

Pay all indirect costs in June.

Deadline for Federal Budget Amendments

DPI must receive your budget amendments reflecting federal program activity for the fiscal year ending June 30, 2023, by midnight June 30, 2023.

An amendment is required if the total discrepancies exceed 10% of the total approved budget. Therefore, you must take into consideration **all** project activity before submitting the final budget amendment. Make the appropriate changes at the local level for any over expended project.

It is important to resolve any discrepancy before the close of the current fiscal year. Contact the appropriate DPI Federal Program Administrator with any questions concerning budget amendments.

F. Review and Reconcile before Year End

May 2023 financial monthly reports (JHA705EG and JHA714EG) will be available by Monday, June 12, 2023. These reports are provided to the school to facilitate the reconciliation to your general ledger prior to closing the fiscal year. It is the school's responsibility to verify that expenditures reported do not exceed the state allotment.

G. Deadline to Request Federal and State Cash for FY 2022-2023

The last day by which you may request **Federal cash** for FY 22-23 is **Tuesday, June 20, 2023**, with a **Funds Requirement Date (FRD) of Monday, June 26, 2023**.

- PSUs are expected to request cash based on these deadlines especially for Federal grants as DPI must then request cash from United States Department of Education (USED) on your behalf. We cannot guarantee our ability to receive cash after this June 20th date. Due to the close-out time frame, it is understood that you will be holding funds thru your final check dates of June 30th.

The last day by which you may request **State cash** for FY 22-23 is **Monday, June 26, 2023**, with a **Funds Requirement Date (FRD) of Thursday, June 29, 2023**.

H. Fiscal Year 2023-24 UERS Data Transfer Schedule

The UERS Data Transfer Schedule for Charter Schools for Fiscal Year 2023-24 is included with this letter and will also be available on the Financial and Business Services website on the Financial Reporting page [Independent Public Schools Operations | NC DPI](#)

If you have any questions pertaining to the items in this memo, please contact Roxane Bernard via email at roxane.bernard@dpi.nc.gov.

JB/RB/kw

Fiscal Year 2023-2024
 Charter School Fiscal Data Requirements and
 Monthly Financial and Statistical Data Requirements (MFR)

Financial and MFR		Monthly
2023	July	08/02/23 (Wednesday)
	August	09/05/23 (Tuesday)
	September	10/03/23 (Tuesday)
	October	11/02/23 (Thursday)
	November	12/04/23 (Monday)
	December	01/03/24 (Wednesday)
2024	January	02/02/24 (Friday)
	February	03/04/24 (Monday)
	March	04/02/24 (Tuesday)
	April	05/02/24 (Thursday)
	May	06/04/24 (Tuesday)
	June	06/30/24 (Midnight, Sunday night)