



# DEPARTMENT OF EXECUTIVE MANAGEMENT BUREAU OF FINANCE AND MANAGEMENT

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## MEMORANDUM

**TO:** Department Secretaries, Bureau Commissioners; Constitutional, Legislative, and Judicial Officers; Institution Superintendents; and, University Presidents

**FROM:** Jim Terwilliger, Commissioner  
Bureau of Finance and Management  
AND  
Adam Hansen *AH*  
Bureau of Finance and Management

**SUBJECT:** *YEAR-END PROCEDURES FY2024 AND OPERATING BUDGET PROCEDURES FY2025*

**DATE:** April 15, 2024

The following includes timetables and instructions for closing out FY2024 on the accounting system and loading the FY2025 operating budget. Please read this document carefully and use it for reference as these critical year-end processes approach.

### ***I. YEAR-END ACCOUNTING PROCEDURES FOR FY2024***

- A. REQUISITIONS/PURCHASE ORDERS:** The Office of Procurement Management must receive **EMERGENCY AND SOLE SOURCE** requisitions for FY2024 by 5:00 p.m. on June 21, 2024. All emergency/sole source requisitions must be accompanied by either the emergency or sole source justification form detailing the facts that constitute the emergency and/or sole source. Emergency and sole source requisitions that do not contain the justification form cannot be processed.

The Office of Procurement Management must receive **CONTRACT** requisitions for FY2024 by 5:00 p.m. on June 21, 2024. Requisitions for **NONCONTRACT** items will be processed in accordance with the Bid Letting Schedule. Please refer to the current [Bid Letting Schedule](#) for those published dates.

The deadline for adding, changing, canceling or deleting FY2024 and earlier SDPP PO lines is 7:00 p.m., June 21, 2024. During the time between this cutoff and the final FY2024 cutoff in [paragraph J](#) below, FY2024 and earlier SDPP PO lines should not be added, changed, canceled or deleted.

- B. CONTRACT CARRYOVERS:** The Bureau of Finance and Management (BFM) must receive all contract carryover requests by 5:00 p.m., June 12, 2024. Requests received after the applicable date will not be considered, unless prior arrangements have been made with the Bureau of Finance and Management. This applies to general, federal, and other funded contracts. Use the following hyperlink to get a current [request for appropriation carryover form](#), or go to [BFM's intranet site](#) and click on the Forms link.

Carryovers of FY2024 funded contracts will be encumbered using procedures outlined in [paragraph K](#). Contract carryovers will be encumbered so that year-end accounting reports show the contract as an encumbrance. Approved contract carryovers will be authorized to extend for one full fiscal year.

- C. **SECOND-YEAR CARRYOVERS:** A [request for appropriation carryover form](#) must also be completed for all second-year carryovers. Indicate second year carryover requests by checking the “Second Year” box on form. Requests to extend FY2023 funded purchase orders or contract carryovers for a second year must be submitted to the Bureau of Finance and Management by 5:00 p.m., June 12, 2024.

Please make sure that requests for second-year carryovers are clearly labeled as such and submitted separately from first-year requests. Funding cannot be carried over for more than two fiscal years per [SDCL 4-8-19](#). Amounts for second-year requests must be encumbered (see [paragraph K](#)).

- D. **APPROPRIATION/BUDGET TRANSFERS:** Requests for FY2024 appropriation/budget transfers must be submitted to the Bureau of Finance and Management by 5:00 p.m., June 20, 2024. Any situations that may require a transfer before the end of FY2024 should be thoroughly analyzed and planned for in order to meet the transfer deadline. Transfer requests submitted after June 20, 2024 will not be approved unless arrangements for late submission have been made with the bureau prior to the deadline. However, BFM may require agencies to submit transfers necessary to clean up overspent budget units beyond the deadline, until the fiscal year is closed.
- E. **VENDOR FORMS:** W-9 and related forms to add or update vendors for FY2024 payments must be received by the Bureau of Finance and Management no later than 3:00 p.m., June 20, 2024. W-9 forms and updates can still be entered into SDAS and forwarded to the Bureau of Finance and Management after this date, however any payments will not be able to be processed until FY25 begins.
- F. **AP INVOICES AND MULTIPLE PAYEE:** AP invoices and multiple payee documents with pay entity EMPL must be entered by 7:00 p.m., June 18, 2024 and received by the State Auditor’s Office or BFM (for advance travel requests) no later than 12:00 p.m., June 20, 2024. EMPL invoices must be approved by June 26 so they can be paid in the final employee reimbursement run in payroll scheduled for June 27.

All non-EMPL AP invoices and multiple payee documents must be entered no later than 7:00 p.m., June 21, 2024. The State Auditor’s Office must receive these documents by 12:00 p.m., June 24, 2024.

Adjustments to coding (company, account or center) on AP invoices can be made online in AP through June 28, 2024. After this date and through the year-end cutoff (see [paragraph J](#)), journal voucher (JV) documents must be entered in budgetary control (BC) to correct coding on AP invoices. After the year-end cutoff, prior year expenditures must be corrected with a prior period equity adjustment entered in BC.

Agencies may begin entering and sending FY2025 vouchers to the State Auditor on July 1, 2024. The first FY2025 AP payment cycle will run July 3, 2024.

- G. **CASH RECEIPTS:** FY2024 cash receipts must be in the State Treasurer’s Office by 1:30 p.m. June 28, 2024. Cash receipts for deposit of checks and electronic payments items must be dated the date the payment is posted to the bank. Deposits received in the Treasurer’s Office by 1:30 p.m. on June 28 will be posted to the bank in FY2024. Deposits received in the Treasurer’s Office after 1:30 p.m. on June 28 will be posted to the bank in FY2025.

If you are pulling funds through ACH from any local accounts, the State Treasurer must receive an e-mail by 2:00 p.m., June 27, 2024. Please use the following link for outstanding ACH items: [\\state.sd.local\apps\bfm\Treasurer\OutstandingAchItems.xls](#). The Treasurer’s Office will have it updated by 9:00 a.m. on June 28 so you can view everything that has come in for the day. The Treasurer’s Office accepts cash receipts by e-mail to [OSTVouchers@state.sd.us](mailto:OSTVouchers@state.sd.us) or by hard copy deliver to OST office.

- H. **NONCASH VOUCHERS** ended successfully by 7:00 p.m., June 28, 2024 with June 2024 effective dates will be posted to FY2024. Noncash vouchers ended successfully after the June 28 cutoff will post to FY2025.
- I. **PROCUREMENT CARD** transactions must be approved by agencies in FM01 and received in the State Auditor’s office by 5:00 p.m., June 14, 2024. The State Auditor will approve them by 5:00 p.m., June 26, 2024. The procurement card expenditure process will be run by June 28, 2024.
- J. **JOURNAL VOUCHER ADJUSTMENTS AND CANCELLED PAYMENTS FOR FINAL YEAR-END:** The Bureau of Finance and Management and the State Auditor’s Office must receive year-end adjustments requiring approval and

cancelled payments, respectively, for FY2024 business by 5:00 p.m., July 5, 2024. Cancelled payments must be accompanied by journal vouchers showing the expenditure codes reduced. These items should relate to errors in coding, cancelled payments, etc., on vouchers processed by the respective deadlines.

Final year-end adjustments not requiring central approval may be entered through 7:00 p.m., July 8, 2024. **This is the final year-end cutoff.** Documents ended by agencies after this date will post to FY2025.

FY2024 year-end adjustment documents entered after June 28 should be entered with a June 2024 effective date. Write "FY2024" across the top of the voucher in order to separate them from FY2025 business.

- K. ENCUMBRANCE DOCUMENTS:** Service purchase orders (POs) are used to encumber contract carryovers (first or second year). Encumbrance adjustments are used: (1) to adjust coding, where needed, for buy entity SDPP POs; or, (2) to encumber statutory carryovers.

Service POs (buy entity SRVC): Enter service POs to encumber contracts; see the [service PO procedures manual](#). Submit a separate [request for appropriation carryover form](#), referencing the service PO(s), for each division within an agency. These requests are due at BFM by 5:00 p.m., June 12, 2024 (see also [paragraph I.B](#)).

The deadline for adding, changing, canceling or deleting FY2024 and earlier service PO lines is 7:00 p.m., June 21, 2024. **During the time between this cutoff and the final FY2024 cutoff in [paragraph J](#) above, FY2024 and earlier service PO lines should not be added, changed, canceled or deleted.**

Encumbrance Adjustments: Enter encumbrance adjustments on BC screen 241, using a document number beginning with E. Combine entries by company, on as few documents as possible. Enter documents as data type 1 and summarize coding by subobject of expense within center. Documents (one per company) should include: company, expense account, center, and dollar amount. The justification should list applicable purchase orders being adjusted or relevant statute/bill authorizing carryover.

For statutory carryovers, all transactions should be debits. Encumbrance adjustments for statutorily required carryovers, along with the [request for appropriation carryover form](#), are due by 5:00 p.m., June 12, 2024.

Encumbrance adjustments for second-year requests related to statutory carryovers, along with the request for appropriation carryover form, are due by 5:00 p.m., June 12, 2024. Send these documents to your respective BFM budget analyst.

For purchase order adjustments, credits to coding on the purchase order should equal debits to the coding for which you need to increase encumbrance. You will need at least one document for each company involved. Encumbrance adjustment documents must be received by BFM no later than 5:00 p.m., June 21, 2024.

Transactions related to FY2024 encumbrance adjustments will be reversed centrally in July 2024 by the Bureau of Finance and Management.

Encumbrances and corresponding appropriation will be carried over into FY2025, unless the appropriation is due to revert in FY2024 (e.g., C-3, D-3 or S-3). Prior year carryovers, i.e., funds carried over from FY2023 into FY2024, that are due to revert will automatically revert unless a second-year request using [request for appropriation carryover form](#) is received by BFM by 5:00 p.m., June 12, 2024 (see [paragraph I.C](#)). The coding for second-year carryovers will remain the same in FY2025 as it was in FY2024.

Agencies should verify appropriated amounts carried forward from FY2024 to FY2025, and report incorrect amounts reflected on the July monthly Available Funds Report to the Bureau of Finance and Management by August 7, 2024.

- L. ADVANCE TRAVEL REPAYMENTS:** Travel advances paid to travelers returning by June 14, 2024, must be repaid either by: (1) applying the advance to expenses on an invoice entered by 7:00 p.m., June 18, 2024 and submitted to the State Auditor by 12:00 p.m., June 20, 2024; or where necessary, (2) repaid on a cash receipt submitted to the State Treasurer by 1:30 p.m., June 28, 2024. Agencies with travel advances must reconcile amounts shown on the Advance Travel Accounts Receivable report with related due from employees account (1246000) balances in general ledger.

- M. PP04 PAYROLL CORRECTIONS:** PP04 payroll corrections must be submitted to the State Auditor by 12:00 p.m., June 26, 2024. These corrections will be processed no later than 5PM 06/27/2024. Any FY2024 adjustments needed to payroll coding after 06/27 must be entered on a journal voucher (JV) in budgetary control (BC).
- N. PROGRAMS TERMINATED AT THE END OF FY2024:** [SDCL 4-8-25](#) allows the retention of an appropriation balance to pay outstanding liabilities of terminated budget units. Funds carried over pursuant to 4-8-25 last for one year after which they revert to the general fund if no other fund was designated.

Agencies having terminated programs should request that the Bureau of Finance and Management carry over the year-end appropriation balances in order to clear up outstanding debts. Submit these requests in writing by 5:00 p.m., June 12, 2024. Please consider the amount of money it will take to pay accrued leave, etc., so that decisions can be made prior to the end of FY2024 that will allow a sufficient appropriation level to exist at the end of FY2024 to pay outstanding liabilities. Requests should include an encumbrance adjustment document for amounts not already encumbered on purchase orders (see [paragraph K](#)).

- O. POSITIONS TERMINATED IN PROGRAMS THAT WERE NOT TERMINATED:** No statutory basis exists for carrying over money to pay expenses at fiscal year-end for positions being terminated within programs that were not terminated. Therefore, make preparations for the last payroll of FY2024 well in advance so that expenditures for personal services remain within budget levels set for FY2024 and FY2025.
- P. ACCOUNTING/BUDGET HISTORY:** Data reported on the accounting system at fiscal year close will be used in the Governor's budget report of expenditures for all funds, including those with informational budgets. We will not adjust expenditure history of any budgets in the budget system, except to reflect reorganizations. **Historical information posted in the accounting system will be the official record of expenditures and will be used in the budget report wherever possible.**
- Q. OUTGOING ELECTRONIC PAYMENTS:** FY2024 outgoing ACH transfers must be to the State Auditor's Office by 12:00 p.m., June 27, 2024. FY2024 outgoing Wire transfers must be to the State Auditor's Office by 12:00 p.m., June 28, 2024. All documents with a D prefix must be entered with an effective date equal to the date that the transfer posts to the bank.
- R. CASH MANAGEMENT GENERAL FUND – JUNE EXPENDITURES OVER \$1 MILLION:** Please notify your Bureau of Finance and Management Budget Analyst with all known/anticipated June expenditures greater than \$1 million. Payroll Expenditures are excluded from this requirement.

## II. OPERATING BUDGET PROCEDURES FOR FY2025

- A. OPERATING BUDGET SUBMISSION:** This year the operating budget module of the budget system will be accessible on Monday, April 15, 2024. You will have three weeks to complete the operating budget load, the deadline being 5:00 p.m., May 03, 2024. **Agencies must notify their budget analysts of any reorganization requests by 5:00 p.m., April 19, 2024. BFM will analyze reorganization requests and will notify agencies by May 6th, if approved. Agencies must have their reorganization crosswalk complete on the budget system by 5:00 p.m., May 3, 2024.**

The budgets must be loaded by subobject according to general, federal, and other funds. Enter the information in the operating budget screen making sure that the totals match the general bill as shown on the 'Totals' screen. Fund sources must also be balanced in order to complete your operating budget load. This is done using the fund source module for each budget center. If you have any questions or concerns about loading your FY2025 budget, or using the operating module, please contact your assigned budget analyst for assistance. If any users would like training on the budget system, please contact your BFM budget analyst to schedule a session.

As previously stated, the operating budget must conform to the General Appropriations Act plus the distribution of the employee compensation package. Version AL in the request module of the budget system (RB16) corresponds to the final General Bill for each agency. You can print this information at any level using the Rolling Budget Report from the budget system. You can also obtain these printouts from your assigned BFM budget analyst.

Operating budgets submitted by agencies should not include special appropriations, second-year maintenance and repair expenditure authority, purchase order carryovers, or contract carryover expenditure authority. The specials for each of your agencies should already be loaded on the object by company screen. You can select specials and enter the reversion year in the box to view them.

- B. BASE TRANSFERS/PERSONAL SERVICES AND OPERATING EXPENSE ALIGNMENT:** It is critical that agencies make sure personal service and operating expense budgets are loaded as accurately as possible. There will be continued emphasis on monitoring expenditures at the PS and OE level. Budget checking in the accounting system will be carried out at those levels. Agencies will be accountable for expenditures at the personal service and operating budget levels throughout the year instead of only realigning the budgets at the end of the fiscal year. **Agencies must notify their budget analysts of any base transfer requests by 5:00 p.m., May 3, 2024.**
- C. EMPLOYEE BENEFITS:** FY2025 employee benefits for full-time employees will vary depending on each agency's worker's compensation experience. If you don't know your estimated FY2025 worker's compensation rate, please contact your budget analyst. The worker's compensation rate is estimated to develop the FY2025 budget. The actual rate assessed will be determined closer to the start of FY2025 and is subject to change throughout the year as experience warrants.

The detailed breakdown of FY2024 budgeted benefits is as follows:

<b>.0765</b>	<b>Social Security and Medicare</b>	The maximum wage base for calendar year 2024 is \$168,600 for social security with no maximum limit for Medicare. The tax rate for social security is 6.2% and the rate for Medicare is 1.45%. The tax rates are not scheduled to change. <a href="#">Contribution and Benefit Base</a>
<b>.0600</b>	<b>Retirement</b>	Class A Members--.06; all Class B members except justices, judges, and law-trained magistrates--.08; all justices, judges, and law-trained magistrates--.09.
<b>.0010</b>	<b>Unemployment Insurance</b>	(Calculated on total salary)
<b>.XXXX</b>	<b>Worker's Compensation</b>	Agency specific experience-based assessment rate. (Calculated on total salary)
<b>\$11,851.00</b>	<b>Base Health/Life Insurance</b>	Estimated annual base rate for each eligible employee.

- D. **HEALTH AND LIFE INSURANCE:** For FY2024, the budgeted amount for the health/life insurance rate was **\$11,782.00**. For the FY2025 budget, the health/life insurance rate will increase to **\$11,851.00 per benefitted employee**.
- E. **PUBLIC ENTITY POOL FOR LIABILITY (PEPL):** The billing for PEPL is collected from two sources to distinguish general from auto liability. The PEPL billing for general liability is budgeted at \$200 per FTE, or board/commission member. This includes \$175 for Public Entity Pool for Liability and \$25 for Cyber Liability. Auto liability is incorporated into the billing rate per mile for state vehicles.
- F. **INFORMATION SERVICES – DEVELOPMENT AND MAINTENANCE:** Other Fund expenditure authority for computer system development and maintenance was appropriated into the BFM Computer Services and Development Pool for FY2025. Agencies may request to use this expenditure authority by submitting an appropriation/budget transfer to the Bureau of Finance and Management accompanied by a copy of any other pertinent justification for using this expenditure authority.
- G. **SPACE BILLINGS:** The current FY2024 annual rate for agencies occupying space in the Capitol Complex is \$19.15 per square foot. This rate is subject to change.
- H. **TRAVEL REIMBURSEMENT:** The passage of [HB 1060](#) during the 2024 Legislative Session increased several travel reimbursement rates. Effective July 1, 2024, the maximum in-state lodging reimbursement rate will increase to be consistent with the rate set by the General Service Administration (GSA). The standard rate of \$107 per night will apply to travel in all counties in South Dakota, except for those specifically listed on the [GSA website](#). Additionally, the high mileage reimbursement rate will increase to be consistent with the mileage reimbursement rate for business set by the Internal Revenue Service (IRS), or \$0.655 per mile, and the low mileage reimbursement rate will be set at 45% of the rate set by the IRS, or \$0.295 per mile.

JT/AH/MG/ah

cc: Fiscal Officers  
University Business Managers

**SUMMARY OF DEADLINES**  
**FY2024 YEAR-END ACCOUNTING AND FY2025 OPERATING BUDGET PROCEDURES**

<u>DESCRIPTION</u>	<u>DATE</u>	<u>TIME</u>	<u>PARA.</u>	<u>PAGE</u>
Noncontract Requisitions	See <a href="#">Bid Letting Schedule</a>	----	<a href="#">1 A</a>	1
Operating Budget Module Available	04/15/2024	8:00 am	<a href="#">2 A</a>	5
Reorganization Request	04/19/2024	5:00 pm	<a href="#">2 A</a>	5
Operating Budget Submission (RB16) and Reorganization Crosswalk Completion	05/03/2024	5:00 pm	<a href="#">2 A</a>	5
Contract Carryover Requests	06/12/2024	5:00 pm	<a href="#">1 B</a>	1
Second-Year Carryover Requests	06/12/2024	5:00 pm	<a href="#">1 C</a>	2
Encumbrance Documents for Contract, Statutory and 2nd-Year Carryovers	06/12/2024	5:00 pm	<a href="#">1 K</a>	3
Statutory Carryovers for Terminated Programs	06/12/2024	5:00 pm	<a href="#">1 N</a>	4
Procurement Card Transactions Received by Auditor	06/14/2024	5:00 pm	<a href="#">1 I</a>	2
EMPL Invoice Entry (AP & Multiple Payee)	06/18/2024	7:00 pm	<a href="#">1 F</a>	2
Advance Travel Repayment Invoice Entry	06/18/2024	7:00 pm	<a href="#">1 L</a>	4
EMPL Invoices Rec'd by State Auditor (AP & MP)	06/20/2024	Noon	<a href="#">1 F</a>	2
Vendor Forms	06/20/2024	3:00 pm	<a href="#">1 E</a>	2
Appropriation/Budget Transfers	06/20/2024	5:00 pm	<a href="#">1 D</a>	2
Emergency, Sole Source & Contract Requisitions	06/21/2024	5:00 pm	<a href="#">1 A</a>	1
Non-EMPL Invoice Entry (AP & Multiple Payee)	06/21/2024	7:00 pm	<a href="#">1 F</a>	2
SRVC PO lines added, changed, canceled or deleted	06/21/2024	7:00 pm	<a href="#">1 K</a>	3
SDPP PO lines added, changed, canceled or deleted	06/21/2024	7:00 pm	<a href="#">1 A</a>	1
Encumbrance Documents for PO Adjustments	06/21/2024	5:00 pm	<a href="#">1 K</a>	3
Non-EMPL Invoices Rec'd by State Auditor (AP & MP)	06/24/2024	Noon	<a href="#">1 F</a>	2
Procurement Card Approval by State Auditor	06/26/2024	5:00 pm	<a href="#">1 I</a>	2
State Auditor Approval of EMPL Invoices	06/26/2024	7:00 pm	<a href="#">1 F</a>	2
PP04 Payroll Corrections to State Auditor	06/26/2024	12:00 pm	<a href="#">1 M</a>	4
Procurement Card Expenditure Process	06/28/2024	5:00 pm	<a href="#">1 I</a>	2
PP04 Payroll Corrections Processed	06/27/2024	5:00 pm	<a href="#">1 M</a>	4
Outgoing ACH Transfers to State Auditor	06/27/2024	12:00 pm	<a href="#">1 Q</a>	4
E-mail to Treasurer on ACH from local accounts	06/27/2024	2:00 pm	<a href="#">1 G</a>	2
Advance Travel Repayments by Cash Receipt	06/28/2024	1:30 pm	<a href="#">1 L</a>	4
Outgoing Wire Transfers to State Auditor	06/28/2024	12:00 pm	<a href="#">1 Q</a>	4
Cash Receipts to State Treasurer	06/28/2024	1:30 pm	<a href="#">1 G</a>	2
Noncash Voucher Entry	06/28/2024	7:00 pm	<a href="#">1 H</a>	2
FY2025 Invoice Entry Begins	07/01/2024	7:00 am	<a href="#">1 F</a>	2
<b>JVs Requiring Central Approval; Cancelled Payments</b>	<b>07/05/2024</b>	<b>5:00 pm</b>	<b><a href="#">1 J</a></b>	<b>3</b>
JVs Not Requiring Central Approval; Final cutoff for document entry	07/08/2024	7:00 pm	<a href="#">1 J</a>	3
Verify Carryover Appropriations	08/07/2024	----	<a href="#">1 K</a>	3