

LOCAL HEALTH DEPARTMENTS
CLOSEOUT INSTRUCTIONS AND INFORMATION
FISCAL YEAR 2020

GENERAL INFORMATION

DO NOT POST accruals with an Effective Date before June 1, 2020.

Some forms have been revised, please go to https://health.maryland.gov/Pages/sf_gacct.aspx for latest version.

All transactions posted by July 6th (Monday) must be treated as a June (Fiscal Month 12) transaction and bear an Effective Date in the June 1st through June 30th range. If any transactions for June (Fiscal Month 12) error out on the batch cycle of **July 6th**, change the Effective Date to **June 31st**, correct the error, and re-submit it. **NOTE:** Failure to follow the above instructions will cause transaction(s) not to appear in detail on either the June or Adjustment Period financial reports.

All transactions posted after July 6th must be treated as an Adjustment Period (Fiscal Month 13) transaction and bear an Effective Date of June 31st. If an Effective Date in the June 1st to June 30th range is used after **July 6th**, the transaction amount will be reflected in Adjustment Period (Month 13) financial report amounts, but not in the detail.

In ADPICS and RSTARS, the Effective Date field on all transactions (journal entries, vendor invoices, customer invoices, etc.) controls to which fiscal year the transaction posts. For example, an Effective Date of 06/31/20 will post to FY 20, whereas an Effective Date of 07/01/20 will post to FY21.

For LHDs, the last FY 2020 nightly batch cycle to capture and post transactions in FMIS is **July 8th (Wednesday)**. All lingering errors must be corrected and resubmitted by **July 9th**. No later than **July 10th noon**, advise Nola Gotha of any UFD related transactions which have not cleared.

LHDs wishing to record county related expenditures and receipts in FMIS can do so by **July 8th** by using PCAs ending with a "K" which reference Fund 0098. **NOTE:** Fund 0098 transactions must net to zero.

During the nightly batch cycle, transactions that debit cash post ahead of those that credit cash. **Do not use 'R' with transaction code 413 or 411; instead use TC CODE 412 or 410, respectively.**

For encumbrance and accrual journal entries only, use Edit Mode 2 on the FMIS 500 screen to have the entry immediately post without having to wait for the nightly batch cycle. To determine the effect of the encumbrance or accrual transaction, use 61 screen. **Note:** Edit Mode 2 will fail when used with journal entries that affect cash.

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R*STARS will go down on **June 30th** at 6:30 PM and **will not** be available again until **July 2ndst**.

Cash, fees, and receipts collected through May 2019 must be received by MDH by **June 24th**. A LHD may recognize/submit receipts through a later date but they must be received by **June 24th**. **Any amounts owed for FY 2020 expenditures are to be received by MDH by June 24th or held until year end reconciliation is completed and an invoice is received.**

To receive credit in FY 2020, payroll checks to be canceled must be received in MDH Payroll unit or Central Payroll Bureau by **June 19th**. Personal checks from employees that reimburse MDH for a FY 2020 overpayment must be recorded as an accrual in FMIS by **July 7th** if not submitted by **June 24th** receipt deadline.

To receive credit in FY 2020, disbursement transmittal checks to be canceled must be received in State Treasurer's Office by **June 19th**. **NOTE:** It is suggested that financial statements be monitored to ensure that credit is received. If credit is not received/posted by **July 2nd**, accrue a reduction of expenditure. If the June 19th date is missed, ensure that check is marked "VOID", accrue a reduction of expenditure and submit disbursement transmittal check(s) to State Treasurer's Office on **July 2, 2020**.

MDH units have been instructed not to process expenditure transactions affecting Local Health Departments **after June 22nd** and this will be monitored by General Accounting. Contact Nola Gotha if you encounter any problems.

For audit purposes, it is each Local Health Department's responsibility to provide a description on all transactions and maintain sufficient supporting documentation.

NOTE: An appropriate description **does not include Per Nola Gotha, Avi Glenner, or Michele Cohen.**

EXPENDITURE ACCRUALS

An accrued expenditure may be recognized for goods and/or services, which have been received prior to July 1st, but the related invoice has not been received or paid by July 8th. If the invoice has not been received, the accrued amount must be estimated. Local Health Departments must accrue only valid expenditures. Proper documentation detailing each expenditure accrual must be maintained for audit purposes.

FY 2020 expenditure accrual entries will result in reversing entries being recorded in FY 2021. In all cases, except for payroll, the appropriation year recorded on the reversing entry will be the same appropriation year as that recorded on the FY 2020 accrual transaction. Payroll reversing entries will be posted to appropriation year 2021 in fiscal year 2021.

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LHDs may not accrue a reduction of expenditure under fund 0007, 7000, 7009, 7010 or 7011 for any program. LHDs can only accrue a reduction of expenditures/collections in PCAs ending with a “K” which reference Fund 0098 and the accrual must be in line with accounts receivable records (Medicaid, Medicare insurance, etc.) and collection experience. As a reminder, for MDH/UFD programs (LHDFSM 2120.05), the accrual of collections is limited to sources other than self-pay clients.

DOCUMENT TYPES - EXPENDITURE ACCRUALS

The FMIS Document Type assigned to an accrued expenditure transaction describes the transaction. To facilitate data entry, **do not place different Document Types in the same batch.** For example, do not include a Doc Type YD (Due to Other Agencies) and YE (Due to Other Funds/Programs) in the same batch. **Remember to use Edit Mode 2 on the FMIS 500 screen to have the accrual journal entry post and appear immediately on the various FMIS inquiry screens (i.e., 61, and 64 screens).**

The Document Types and Transaction Codes (TC) are as follows:

YA	Vendor Invoice	803
YC	Due to Local Governments	826
YD	Due to Other Agencies	803
YE	Due to Other Funds/Programs	803
YI	Other Expenditure Accruals	803
YY	Payroll Accruals	805

PAYROLL

Where appropriate, Local Health Departments must adjust (i.e., 6/30 retirements, LWOP, Additional Assistance, etc.) the Department’s computed payroll accrual by using Document Type YY and transaction code 805. For example, if funds are available, a Local Health Department must establish an accrual for leave due employees leaving State service (i.e. retiring) as of June 30th. If sufficient funds are not available to accrue leave due employees leaving State service as of June 30th, the amount must be reported on the GAAP Schedule K, in the column entitled, Unaccrued Benefit Amount.

All payroll accrual reversing entries will post to appropriation year 2021 in fiscal year 2021.

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REGULAR PAYROLL ACCRUAL

The pay period ending **06/02/2020** will be the basis for computing the **FY 2020** Regular Payroll accruals. **All monetary fields except for salary and fringe benefits associated with individuals paid under Additional Assistance, Adjustments and Health Benefits, will be multiplied by 14/14 [1.000000]**. If appropriate, a manual accrual, for salary, overtime and fringe benefits using Document Type YY must be established for individuals recorded under Additional Assistance. To determine “Additional Assistance” individuals, refer to biweekly Salary and Subsidy Report.

The Department’s accrual for Salaries and Wages will be based on the amount that the employee, was paid on the **06/02/2020** payroll. The Regular Payroll accrual will be assigned **Current Document Reference Number YY000RP2**. The accrual reversal will be assigned **Current Document Reference Number Y5000RP2**.

SPECIAL PAYMENTS PAYROLL ACCRUAL

The pay period ending **05/26/2020** will be the basis for computing the **FY 2020** Special Payments Payroll accrual, and all monetary fields will be multiplied by **21/14 [1.500000]**.

The Special Payments Payroll accrual will be assigned **Document Reference Number YY000SPA**. The accrual reversal will be assigned **Current Document Number Y5000SPA**.

INVOICES

All invoices approved in ADPICS by July 6th must be treated as a June (Fiscal Month 12) transaction and bear an Effective Date in the June 1st through June 30th range. All invoices approved in ADPICS after **July 6th** must be posted to Adjustment Period (Fiscal Month 13) and bear an Effective Date of June 31st. The final FY 2020 date for transmission of invoices to the Comptroller is **July 8th**.

Do not ask vendors to send “**copies of invoices**” so that invoices can be paid for year end close purposes. Instead, establish an accrual, and pay only from “**original invoices**” to avoid the potential of duplicate payments/transactions.

Home Rule/Hybrid LHDs

The final FY 20 invoice/request for reimbursement from Local Health Departments (i.e. Baltimore

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City, and Baltimore, Montgomery, Howard, Washington, Prince George's, Anne Arundel counties), **must be received by** the Division of Grants and Local Health Accounting, ATTN: Nola Gotha, by **June 15th, 4:00 P.M.** Invoices received after **June 15th** will be returned and any amounts due will be paid during the year-end reconciliation process.

VEHICLES

Local Health Departments will be responsible for establishing an accrual by **July 8th (Wednesday)** for any undelivered/unpaid motor vehicles at June 30, 2020. If an ADPICS purchase order exists, use transaction code 809 and in the REF DOC/SFX field, reference the purchase order number and applicable suffix/line item and provide vendor information in VEND/MC field. Otherwise, use Transaction Code 803.

INTERAGENCY/JOURNAL ENTRY/ACCRUAL TRANSACTIONS

All interagency transactions related to Fiscal Year 2020 must be processed and released no later than **July 8th (Wednesday)**.

NOTE: We cannot control the processing of interagency transactions processed by other State agencies who have been given a **July 15th** cutoff date by the Comptroller.

CORPORATE CREDIT CARD

The Chief of General Accounting will email periodic cumulative CPC charges for the cycle ending **6/25/20** as follows:

June 8th

June 15th

June 27th - Final

CPC charges for the cycle ending **June 25th** will appear as a FY 2020 charge to Corporate Credit Card Clearing Account(s). On **July 1st**, General Accounting will provide a listing of credit card charges for the period June 26th to 30th. It may be helpful to share this list with cardholders because these amounts must be accrued to the applicable PCAs and Objects, **not the CPC clearing account** PCAs. In **FY 2021** the reversal of these accruals must be taken into consideration when distributing your charges for the CPC billing cycle ending **July 27th**.

General Accounting will post travel charges for the CPC cycle ending **June 25th** by **June 28th**, and an accrual for CPC travel charges for the period **June 26th to 30th** by **July 6th**.

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All Corporate Credit Card Clearing Account(s)/Objects must be distributed and have a zero balance by **July 7th (Tuesday)**. Therefore, it is important that CPC cardholders be given a deadline for submission of their Activity Log for the cycle ending **June 25th**. **Do not use an accrual Transaction Code (i.e. 803) to distribute CPC clearing account balances, use either 412 or 413.**

PREPAYMENTS – FY 2020

Prepayments are payments charged to FY 2020 which are applicable to FY 2021. Prepayments must:

- Be charged to FY 2020.
- Be transmitted by **June 15th** to ensure payment by **July 6th**.
- Have a Due Date of June 30, 2020.
- Be placed on a separate transmittal.

The following procedures must be used for prepayments:

- Make two copies of invoice (or entire disbursement transmittal list) which must be attached as supporting documentation for the related FY 2020 and FY 2021 journal entries discussed below.
- Determine the prepayment amount and prepare the following journal entry. This entry reduces FY 2020 expenditures and establishes a Prepaid Expense.

TCode	PCA	AOBJ	Amount	AGL	RVS	DESCRIP
412	XXXXX	XXXX	\$\$\$\$\$.\$\$			XXXXX
403	XXXXX		\$\$\$\$\$.\$\$	MDH	R	XXXXX

- Attach one copy of the invoice (or entire disbursement transmittal list) to the above journal entry as supporting documentation.
- Access either the ADPICS Direct Voucher or Voucher screen and process the invoice as usual.
- Using red ink, write the following on the cover page of the transmittal:

Priority – vendor(s) must receive payment by June 30, 2020

- **No later than August 21, 2020**, prepare the following journal entry in FY 2021 for each prepayment journal entry made in FY 2020, and attach a copy of the invoice(s) or disbursement transmittal.

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- o Use transaction code 403 along with the prior appropriation year, PCA, and amount, and transaction code 413 with the current appropriation year, PCA, AOBJ and amount.

TCode	AY	PCA	AOBJ	Amount	AGL	RVS	DESCRIP
413	21	XXXXX	XXXX	\$\$\$\$\$.\$\$			XXXXX
403	20	XXXXX		\$\$\$\$\$.\$\$	MDH		XXXXX

MDH 990's

County expenditures and receipts must be posted in FMIS by **July 8th** using PCAs ending with a “K” which reference Fund 0098. **NOTE:** Fund 0098 transactions must net to zero.

ENCUMBRANCES

The Local Health Department Funding System Manual, Section 2080.06, **under specific conditions**, allows Local Health Departments to encumber funds; however, they must be recorded as an accrued expenditure in FMIS, by **July 8th**, by **LHDs using FMIS**.

R*STARS ENCUMBRANCE CLEANUP

Local Health Departments who record purchase orders in FMIS-ADPICS must review the DAFR7820 for open ADPICS Purchase Orders and take one of the following steps, by **July 8th** (**Wednesday**):

- Close unneeded purchase orders.
- Push needed purchase orders into FY 2021 / AY 2021

The ADPICS Year End Close Manual provides additional instructions and is located at <http://doit.net.md.gov/servdesk/fmisdcs/Documents/ADPICS%20YEC%20MANUAL%202020.pdf>

The appropriate action/journal entry as described below must be taken on all purchase orders pushed to FY 2021 to ensure that the amount in ADPICS agrees with the amount in R*STARS (screen 64). Use Edit Mode 2 on the FMIS 500 screen to have the journal entry(s) post and appear immediately on the various FMIS inquiry screens (i.e. 61 and 64 screens).

***Increase an R*STARS encumbrance**

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Use TC CODE 205, which requires a vendor number, to increase the encumbrance amount recorded in R*STARS to match the amount remaining in ADPICS. This entry should be recorded with a Document Type of 'EZ' and a Batch Type of '3'. In the Ref Doc field, reference the purchase order number and the applicable suffix/line item per screen 64.

***Decrease an R*STARS encumbrance**

Use TC CODE 208, which requires a vendor number, to decrease the encumbrance amount recorded in R*STARS to match the amount remaining in ADPICS. This entry should be recorded with a Document Type of 'EZ' and a Batch Type of '3'. In the Ref_Doc field, reference the purchase order number and the applicable suffix/line item per screen 64.

***Cancel an R*STARS encumbrance**

Use TC CODE 206, which requires a vendor number, to liquidate the encumbrance amount recorded in R*STARS. This entry should be recorded with a Document Type of 'EZ' and a Batch Type of '3'. **For a cancellation, the Modifier 'F' must be entered.** In the Ref_Doc field, reference the purchase order number and the applicable suffix/line item per screen 64.

NOTE: Contact the FMIS Functional Coordinator (410-767-6428) if you have any questions.

GAAP

With the exception of the note under Federal Funds, and the need to complete GAAP Schedule K, this section applies to all Local Health Departments except Baltimore City; and Baltimore, Montgomery, Anne Arundel and Prince George's counties.

All LHDs are required to use the customized Excel schedules provided by MDH. By **July 20th**, Schedules G and G-1 must be received by **Nola Gotha**, and all other schedules must be received by **Nola Gotha**. Write "N/A" on all schedules that do not pertain to your unit and submit them. This way the Division of Grants and Local Health Accounting (DGLHA) will know that none were inadvertently overlooked. **NOTE:** When a schedule requires an appropriation number (i.e. APPN NO) insert F0249 followed by the last two digits of your index number (i.e. F0249.01)

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AVAILABLE FINANCIAL STATEMENTS

Schedule A does not have to be completed unless there are audited or unaudited financial statements which exist and they are required by Maryland law or regulation. Information will be included on GAAP Schedule A.

CASH NOT RECORDED IN R*STARS

Some LHDs have bank accounts registered to the State of Maryland. At **June 30th**, if any of those accounts contain money which belong to the State other than (a) working fund or petty cash received from General Accounting or (b) money advanced from the Comptroller's Office, that amount must be reported for inclusion on GAAP Schedule B. **If reported amount is over \$100,000, a copy of the bank statement must be submitted.**

RECEIVABLES

Receivables not recorded in R*STARS must be reported to the DGLHA which will provide a blank file for the current year. **An explanation is required if the variance between current and prior year is 15% or more (plus or minus).** Total receivables by clinic must be provided on the file but do not include receivables referred to CCU. Amounts will be included on GAAP Schedule C.

SUPPLIES AND MATERIALS INVENTORY

Local Health Departments must report annual supplies and materials inventory transactions. This schedule must be completed to report **material and supplies** purchases, usage, and year-end inventory balances. **This schedule is not for the reporting of fixed assets, equipment, vehicles, etc.** A file for the current year containing the previous year's reported ending balance as the beginning balance will be provided by DGLHA. Amounts will be included on GAAP Schedule E.

PAYABLES, COMMITMENTS AND CAPITAL LEASES

Any unit that has FY 2020 accounts payable that are not recorded in FMIS due to lack of funding or other reason, must report them on a Schedule F.

Commitments are defined as amounts to be paid in the future and charged to the new or future fiscal year appropriations and are represented by executed purchase orders or contracts as of June 30th. Commitments include maintenance, construction and service contracts, contractual

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arrangements for capital purchases (not through the Treasurer's Office), non-capitalized (operating) leases, commitments for leasing office space (not maintained by DGS) and other significant commitments. **Each individual commitment over \$100,000.00 must be reported for inclusion on Schedule F.**

If a unit has a lease financing agreement that meets one or more of the following criteria at inception, the lease shall be classified as a capital lease: (1) The lease transfers ownership of the property to the lessee by the end of the lease term, (2) The lease allows lessee to purchase the property at a bargain price, (3) The term of the lease is 75 % or more of the useful economic life of the property, or (4) The present value of the lease payments at time of acquisition is 90% or more of the fair value of the property. **If a lease meets any of the aforementioned criteria and IS NOT managed by the State Treasurer's Office, it must be reported on Schedule F.**

A blank file containing three worksheets (accounts payable, commitments, and leases) for the current year will be provided by DGLHA.

FEDERAL FUNDS (SCHEDULE G and G-1)

Local Health Departments included in the State's single audit must report Federal Funds received from sources other than MDH and other State agencies. A Schedule G for the current year containing the previous year's reported ending balances will be provided by the Division of Grant and Local Health Accounting for reporting purposes. The ending balance for the prior year must be the beginning balance for the current year. If federal funds **were not** received directly from the federal government, the granting entity's name must be provided in the column entitled Pass-Through Entity. If Federal Funds were received directly from the federal government and a portion was passed on to a sub-recipient, Schedule G-1 must also be completed.

NOTE: In accordance with Office of Budget Management's Uniform Administrative Requirements, Cost Principles, & Audit Requirements for Federal Awards, each Local Health Department must obtain a single audit report from all sub-recipients receiving \$750,000 or more in federal funds. **Baltimore City; and Baltimore, Montgomery, Anne Arundel and Prince George's counties must submit a copy of their Single Audit to:**

MDH Office of the Inspector General
Audit Division
201 W. Preston St., Room L-7
Baltimore, Maryland 21201

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OTHER ASSETS AND LIABILITIES

A LHD must report assets or liabilities, the recording of which has not been provided for on any other GAAP closing schedule. Such items may include investments not maintained by the State Treasurer, loan receivables due in excess of one year, claims payable, liability for termination benefits. Amounts will be included on GAAP Schedule H. **Also, to be included in Schedule H would be liabilities to the federal government related to disallowed claims or disputes.** A blank Schedule H file for the current year will be provided by DGLHA.

SPECIAL AND EXTRAORDINARY ITEMS

LHDs must report on Schedule I any special and extraordinary items which have not been provided for on any other GAAP closing schedule. They are defined as follows: **Extraordinary items** are transactions or other events that are **both** unusual and infrequent in occurrence and **Special items** are transactions or other events that are within the control of management and are **either** unusual in nature **or** infrequent in occurrence. Also, report on Schedule I any transactions or other events that are **not** within the control of management but are **either** unusual in nature **or** infrequent in occurrence. A blank file will be provided by DGLHA.

ANNUAL LEAVE BALANCES

A file for the current year containing the previous year's reported ending balances, as the beginning balances, will be provided by the DGLHA. On the aforementioned file, each LHD must provide the dollar value of accrued leave, as of 6/30/20, associated with State employees funded by county versus State funds.

You will receive an Excel file generated from Workday of LHD employees as of 6/30/20. The column entitled Supervisory Organization will need to be filtered to determine your LHD's liability in order to complete GAAP Schedule K.

LHDs that do not have sufficient funding to accrue for leave payment due employees leaving State service (i.e. retiring) as of **June 30th** must report that amount on GAAP Schedule K.

TAX ABATEMENT DISCLOSURE

MDH is required to submit Schedule M as a requirement of GASB 77

GASB 77 defines a tax abatement to be:

- A promise to forego tax revenues

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- As a result of an agreement (whether or not in writing) with an individual or entity
- Individual or entity promises to take a specific action after the agreement has been entered into
- The action contributes to economic development or otherwise benefits the government or its citizens.

There are three features that set tax abatement apart from tax exemptions and tax deductions:

1. **Purpose of tax abatements** – Typically tax abatements are utilized as part of economic development programs to achieve goals – and for other purposes that otherwise benefit a government or its citizens.
2. **Type of revenue they reduce** – Abatements that reduce revenues from customer charges involve “exchange transactions” and are not within the scope of GASB 77. “Exchange transactions” involve equal exchanges of value between willing parties. By contrast, abatements under GASB 77 that reduce tax revenues involve “non-exchange transactions,” which do not involve equal exchanges of value between willing parties.
3. **Existence of an agreement** – Tax abatements consist of at least two factors:
 - 1) A promise by the agency, component unit, university or other government to reduce the individuals’ or entity’s taxes.

-AND-

 - 2) A promise from the individual or entity to **subsequently** perform a certain beneficial action. Such agreements may or may not be legally enforceable. The agency, component unit, university or other government commits to abate taxes before the specific individual or entity performs the action for which the agency, component unit, university or other government is providing the tax abatement.

To assist you in determining if an agreement qualifies as tax abatement under GASB 77, use the following information. Remember, under GASB 77:

- A transaction’s **substance** (not its form or title) is a key factor in determining if the transaction meets the definition of tax abatement for the purpose of GASB 77.
- The agreement **does not involve an equal exchange** of value between willing parties. (For example, the amount of taxes paid is unrelated to the amount of services a taxpayer receives from the agency, component unit, university or other government.)

A blank file will be provided by DGLHA.

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YEAR-END CLOSING CERTIFICATION

The following applies to all Local Health Departments **except for Baltimore, Montgomery, Anne Arundel and Prince George’s counties, and Baltimore City.**

Upon completion of closing activities, each LHD must certify that prescribed policies and instructions were adhered to. This certification will be accomplished through completion Maryland Department of Health. Local Health Departments, Year-End Closing Certification which can be found at

<https://health.maryland.gov/docs/DHMH%20Cert%20LHD.pdf>. Certification is to be submitted to Nola Gotha, Division of Grants and Local Health Accounting, by **July 16th**.

ANNUAL REPORT (MDH 440)

MDH’s receipt of the MDH 440, by **August 31st**, is a requirement of each LHD’s human services agreement and more specific detail on this subject can be found in the LHD Funding System Manual, Section 2170 – Reconciliation and in Exhibit A. **No FY 2021 request for payments will be honored after August 31st unless FY 2020 MDH 440s have been received by the Division of Grants & Local Health Accounting (DGLHA).** In addition, all FY 2020 amounts owed will be paid upon completion of year end reconciliations.

All FY 2020 UFD awards will be reconciled by the DGLHA. However, the cash balance for F819N, F539N, F732N, F903N and F733N will be carried forward to FY 2021. **For each UFD award,**

- **Local Health Departments that are not entirely on FMIS must submit an Annual Report (MDH 440).**
- **Local Health Departments that are entirely on FMIS are only to submit an Annual Report (MDH 440) to DGLHA if the information reflected in FMIS (DAFR7410) is inaccurate. All needed corrections to FMIS must appear on the Master Cost Settlement Adjustment List.**

If a FMIS LHD is submitting a MDH 440 Annual Report of Expenditures and Receipts because an adjustment of expenditures/accrual is needed, a written explanation must be submitted with the MDH 440 identifying the amount and the applicable line item. In addition, one Master Cost Settlement Adjustment List (found at https://health.maryland.gov/Pages/sf_gacct.aspx) summarizing all post-closing adjustments between PCAs (Es and/or Fs) ending in N or adjustments to accruals must be submitted by **August 31st to your local health department’s assigned grants officer. The Master Cost Settlement Adjustment List is to be summarized at the PCA level and must be submitted to DGLHA even if there are no needed adjustments (i.e. write “N/A”).**

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Remember:

- A MDH 440 is to be prepared based on last “approved” budget, not last “submitted” budget. **You must use the MDH 440 contained in your last approved budget for reconciliation purposes. NOTE: This does not apply to LHDs on FMIS where the DAFR7410 is correct and complete.**
- A MDH 440A (Performance Measures Report) must be submitted for **all** Local Health Department awards regardless whether the reconciliation is done using the MDH 440 or the DAFR7410. **You must use the MDH 440A contained in your last approved budget.**
- A signed MDH 440 must be obtained and submitted for each sub-grantee included in the amount reported for Human Services Contracts (Item 0896) and Special Projects (Item 0899). The MDH 440 submitted by sub-grantee must detail their expenditures.

By **July 31st**, counties that utilize FMIS will be receiving an Excel file which identifies UFD expenditures, per FMIS, that exceed prescribed tolerances (LHFSM Section 2050.03). This file must be used to determine if a “Local Health Department - Request for Approval” form found at https://health.maryland.gov/Pages/sf_gacct.aspx needs to be submitted to a Program prior to the grant being reconciled. Where applicable, a fully executed Local Health Department - Request for Approval is to be submitted to your assigned grants officer along with other required documents (i.e. **Master Cost Settlement Adjustment List, MDH 440, etc.**) by **August 31st**. If the Local Health Department – Request for Approval is not returned, as requested, it is the LHD’s responsibility to follow up with the Program, accordingly. **NOTE: Post-closing adjustments may render portions of this file inaccurate.**

If you have any questions about the completion of the MDH 440 Annual Report, please contact Ms. Nola Gotha at nola.gotha1@maryland.gov, or (410) 767-5135.

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REPORTS

The financial reports for the month of **May 2020** will be available on **June 6th** and **will not** include the payroll accruals. May's transactions can be posted until **June 3rd** and the Effective Date must be **5/31/20**.

The following reports will run on the dates indicated below and will be available for printing the following day.

- DAFRT110 - Expenditure Detail Report
- DAFRG210 - Agency Budget Report
- DAFRT210 - Revenue Detail Report
- DAFR7410 - Agency Budget Activity Summary
- DAFR7820 - Encumbrance Status Report

DAFR REPORTS RUN DATES

DATE	DAY	REQUESTOR CODE(S)	Report user(s)
Month 12 Reports			
06/12/20	Friday	YEMO, YM01 - YM32	All Units
06/19/20	Friday	YEMO, YM01 - YM32	All Units
06/26/20	Friday	YEMO, YM01 - YM32	All Units
07/06/20	Monday	YEMO, YM01 - YM32	All Units
Month 13 Reports			
07/08/20	Wednesday	YEMO	LHD's only (no hard copies)
07/11/20	Saturday	YEMO, YM01 - YM32	All Units
07/15/20	Wednesday	YEMO	LHD's only
07/18/20	Saturday	YEMO, YM01 - YM32	All Units
07/25/20	Saturday	YEMO, YM01 - YM32	All Units

- When printing reports, be sure to include E7XXN.
- June Transactions with June 1 through June 30 Effective Dates can be posted until **July 6th**. All transactions after **July 6th** must have a June 31 Effective Date.
- Above reports will be available in ViewDirect the day after the run date.
- “YEMO” and “YMxx” reports are configured exactly the same as the “MONT” reports which you receive each month.

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****The below dates must be adhered to without exception****

LOCAL HEALTH DEPARTMENT DEADLINES AND DOCUMENT SUBMISSIONS

Action Item	Important Date	Send Documents to	Document Format	Submit Documents Via:
Prepayment transmitted to GAD(Comptroller)	June 15	GAD	----	----
DGLHA must receive final invoices for reimbursement of expenditures	June 15, 4 PM	Nola Gotha	Hard Copy	Mail
Canceled P/R Checks must be received in MDH P/R dept (or at CPB)	June 19	OHR/Central Payroll	Hard Copy	Mail
Canceled checks must be received by State Treasurer's office	June 19	STO	Hard Copy	Mail
Last day MDH units to post LHD's books	June 22	----	----	----
Receipts/checks received on or before May 31 must be received in MDH General Accounting	June 24	MHD-DGA	Hard Copy	Mail
Last day for June (Month 12) Posting	July 6			
Transmit last invoices in FMIS	July 8	GAD	----	----
Process last interagency/journal entry/accrual transaction	July 8	----	----	----
Roll over or close all FMIS Purchase orders	July 8	----	----	----
MDH 990's Final	July 8	----	----	----
Final Corrections made in FMIS	July 9	----	----	----
Deadline to contact Nola Gotha if further FMIS/UFD-related transaction are needed	July 10, Noon	----	----	----
Year-end certification must be received in DGLHA	July 16	Nola Gotha	PDF See GAAP	Email
GAAP Schedules & Information must be received in DGLHA	July 20	Nola Gotha	Packet	Email
LHD's to receive LHD Reconciliation File-Tolerance from DGLHA	July 31	----	----	----
Annual Report MDH 440/MDH 440A, Master Cost Settlement Adjustment List and Request for Approval Due	August 31	Grant Officer	Hard Copy	Mail

LOCAL HEALTH DEPARTMENTS
CLOSEOUT INSTRUCTIONS AND INFORMATION
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EXHIBIT A

**DEPARTMENT OF HEALTH AND MENTAL HYGIENE
LOCAL HEALTH DEPARTMENTS
ANNUAL REPORT (MDH 440 and MDH 440A)
INSTRUCTIONS**

General

Annually, each Local Health Department is required to report all expenditures and income, on the Annual Report (MDH 440), relative to each of their UFD awards. **By way of the Local Health Department completing and submitting the Annual Report, which is subject to audit, contained in the final approved “budget file” the Division of Grants & Local Health Accounting (DGLHA) will determine the balance due to or from the Maryland Department of Health. FACSIMILE DOCUMENTS ARE UNACCEPTABLE.**

The Annual Report is to be submitted within 60 days after the close of the fiscal period for which funds were awarded, usually **August 31st**. If the Annual Report is not received, payments will be suspended until the LHD complies with this reporting requirement. A report will be rejected and returned to the LHD for any technical insufficiency, which cannot or should not be corrected by the Division of Grants & Local Health Accounting, DGLHA.

Expenditures exceeding prescribed tolerances and unbudgeted line item expenditures are subject to disallowance and Section 2050.03 of the Local Health Department Funding System Manual should be read for specific details. A Local Health Department may petition for approval of the aforementioned expenditures by submitting to the program administration a “Local Health Department-Request for Approval” form which, must be received by the Division of Grants & Local Health Accounting by **August 31st**.

NOTE:

- If the DAFR7410 correctly reflects and includes all expenditures, FMIS LHDs should not prepare a MDH 440 if they have exceeded a prescribed tolerance. However, they must submit a Local Health Department Request for Approval form to the program administration.

LOCAL HEALTH DEPARTMENTS
CLOSEOUT INSTRUCTIONS AND INFORMATION
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- A Local Health Department-Request for Approval form is not needed for unbudgeted line items unless prescribed tolerance has been exceeded. The tolerance file from DGLHA should be used to make this determination
- If DAFR7410 correctly reflects and includes all expenditures, and the Program has requested a MDH 440, the MDH 440 should be submitted directly to the Program, not DGLHA.
- Salaries and Fringe Benefits (Regular – 01 and Special - 02) are reconciled in total. Therefore, a Local Health Department Request for Approval form is not needed unless total salary related expenditures exceeded prescribed tolerance. The tolerance file from DGLHA should be used to make this determination.

MDH 440 – ANNUAL REPORT

SECTION I

Most cells are pre-populated, complete the cells shaded yellow.

The Annual Report must bear the original signature of the Health Officer/ Executive Director, in blue ink.

SECTION II

Complete all applicable cells shaded yellow (Actual Expenditures).

NOTE: Certain information is pre-populated and must not be changed.

SECTION III

Complete all applicable cells shaded yellow (Source of Funds) by providing the actual receipts from all funding sources. MDH STATE PAID EXPENDITURES equal:

- Payments received by LHD from MDH, plus
- Payments made by MDH on behalf of LHD, adjusted by Master Cost Settlement Adjustment List entry(s), where appropriate

LOCAL HEALTH DEPARTMENTS
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Do not input any information in the DGLHA Use Only column.

SECTION IV

This section is for Maryland Department of Health use only.

MDH 440A - PERFORMANCE MEASURES REPORT

This schedule is used to provide the final count of performance measures for the fiscal year. **Complete all applicable cells shaded yellow of the MDH 440A contained in the final approved budget file.**

NOTE: Certain information is pre-populated on the MDH 440A worksheet and must not be changed.

MAILING

Unless otherwise instructed below, please mail completed reports to:

Maryland Department of Health
Division of Grants & Local Health Accounting
201 West Preston Street - Room 542
Baltimore, Maryland 21201
ATTN: **Assigned Grants Officer**

WIC PROGRAM

MDH 440/DAFR7410 and MDH 440A must be submitted to the address below. WIC will forward aforementioned forms to DGLHA after approval.

Maryland Department of Health
WIC
201 West Preston Street - Room 105A
Baltimore, Maryland 21201
ATTN: Ms. Mary Royer

LOCAL HEALTH DEPARTMENTS
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CANCER PROGRAM (FCN)**

MDH 440/DAFR7410 and MDH 440A must be submitted to the address below. The Cancer Program will forward aforementioned forms to DGLHA after approval.

Please mail MDH 440 or DAFR7410 and MDH 440A to:

Maryland Department of Health
Center for Cancer Prevention and Control
201 West Preston Street - Room 405D
Baltimore, Maryland 21201
ATTN: Maria James, Fiscal Coordinator