



CIRCULAR

STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY

NO: 26-10-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 5
EFFECTIVE DATE: IMMEDIATE	EXPIRATION DATE: 12-31-26	SUPERSEDES: 25-08-OMB
SUBJECT: FINANCIAL/PAYROLL YEAR-END GUIDELINES FISCAL YEAR 2026		
ATTENTION: DIRECTORS OF ADMINISTRATION, FISCAL OFFICERS, AND PAYROLL OFFICERS		
FOR INFORMATION CONTACT: LESLIE.NOTOR@TREAS.NJ.GOV		

This circular contains important year-end information and cutoff dates for the New Jersey Comprehensive Financial System (NJCFSS) and Centralized Payroll System. Refer to the Purchase Bureau's Fiscal Year cutoff date memorandum for Purchase Bureau year-end information and the Capital Assets year-end circular for capital asset reporting requirements.

I. PAYROLL INFORMATION

Starting with the regular bi-weekly pay period 15 (June 27, 2026 through July 10, 2026) and supplemental payrolls applicable to Fiscal Year 2026 - 2027, the following procedures are in effect:

A. Number of Working Days

1. The number of working days in Fiscal Year 2026 for 12-month employees is 261. The number of working days in Fiscal Year 2027 will remain the same.
2. The number of working days in Fiscal Year 2026 for employees paid under compensation code three (10-month payment) is 217. The number of working days in Fiscal Year 2027 will remain the same.

B. Overlap Pay Period

Pay period 15 in 2026 (June 27, 2026 through July 10, 2026) affects two fiscal years. The OMB Payroll Section will make the necessary computations with regard to the split and will furnish a separate advice of charge for each fiscal year. The split for a 10-day pay will be two days charged to Fiscal Year 2026 and eight days charged to Fiscal Year 2027.

C. Overtime Payments

1. Overtime payments paid for regular pay period 14 will be charged to Fiscal Year 2026.
2. Overtime payments paid for regular pay period 15 will be charged to Fiscal Year 2027.

D. Food and Other Maintenance

It shall be the responsibility of the agency payroll officer to change any food and other maintenance deductions on pay period 15, (June 27, 2026 through July 10, 2026), to reflect any revised maintenance amounts that are in effect for Fiscal Year 2027. Requests for mass changes of food maintenance amounts should be sent to:

Zachary Burkhalter
Supervising Administrative Analyst
Office of Management and Budget
P.O. Box 207
Trenton, New Jersey 08625-0207
Zachary.Burkhalter@treas.nj.gov

E. Salary Rates

Tables of bi-weekly salary, daily, hourly, and overtime rates based on 217 and 261 working days for Fiscal Year 2027 are available from the Civil Service Commission.

F. Supplemental Payrolls

Note: Supplemental pay period "O" 2026 will accommodate both fiscal years.

1. The supplemental pay period "N" will only be charged to Fiscal Year 2026.
2. The supplemental pay period "O" will accommodate both fiscal years. However, a single supplemental payroll submission cannot be used to reflect charges to more than one fiscal year. Supplemental payroll charges for pay earned through June 30, 2026, shall be submitted on one payroll marked "Fiscal Year 2026" and charges for pay earned on or after July 1, 2026, shall be submitted on a separate payroll marked "Fiscal Year 2027."
3. Supplemental payroll charges for pay earned through June 30, 2026 must be marked "Fiscal Year 2026" and be received in the OMB Payroll section no later than noon, Friday, July 17, 2026 for payment on supplemental pay period "O" 2026, in order to be charged to Fiscal Year 2026 appropriation accounts. Deficits created because of this action are the department's responsibility.
4. Supplemental payroll charges for pay earned on or after July 1, 2026 must be marked "Fiscal Year 2027" and be submitted for payment on supplemental pay period "O" 2026 in order to be charged to Fiscal Year 2027. These supplemental payrolls are due no later than noon, Friday, July 17, 2026.
5. Supplemental payrolls for retroactive payments, sick leave injury, or accrued vacation after retirement or separation cannot be submitted for payment against position numbers that have been abolished in the new fiscal year. These supplemental payrolls must be submitted for supplemental pay period "N" marked "Fiscal Year 2026," and are due no later than noon, Thursday, July 2, 2026.

II. NEW JERSEY COMPREHENSIVE FINANCIAL SYSTEM (NJCFIS)

Note: Continuing Appropriations-The references below to cutoff dates and pre-encumbrance cancellations do not pertain to continuing appropriations (appropriation type "02").

A. Critical Dates

1. Year-end Cutoff Dates

The cutoff dates for Fiscal Year 2026 transactions that may require approval by OMB or the Office of Legislative Services (OLS) are listed below:

<u>TRANSACTION CODE</u>	<u>CUTOFF DATE</u>
TA (OLS approval)	July 10, 2026
AP	July 10, 2026
RB	July 10, 2026
TA	July 10, 2026

2. NJCFS Key Dates

- April 01, 2026
to
April 04, 2026

 - a) Fiscal Year 2027 original appropriations are established in NJCFS.
 - b) EXPB records will be created with zero balances in Fiscal Year 2027 for all records that have a balance in Fiscal Year 2026 and a corresponding Fiscal Year 2027 appropriation record. A balance is considered a pre-encumbrance, encumbrance, or expenditure.

- April 01, 2026
to
April 30, 2026

 - a) REVB records will be created in Fiscal Year 2027.

- May 11, 2026
to
June 05, 2026

 - a) NJCFS is opened for limited Fiscal Year 2027 activity based on the original appropriations, exclusive of expenditures or revenue.

- April 01, 2026
to
April 30, 2026

 - a) Estimated receipt amounts are established on appropriation and revenue budget records for appropriation sources 3XX and 4XX.

- June 30, 2026

 - a) Year-end program will run against trust and bond funds (funds 5XX and 7XX). Free balances will be brought forward to Fiscal Year 2027. REVB and EXPB records will be created in Fiscal Year 2027 for all active records in Fiscal Year 2026 for trust and bond funds.
 - b) NJCFS will be down from June 30, 2026, 5 p.m. until July 1, 2026 10 a.m.

- July 31, 2026

 - a) Travel pre-encumbrances (TEs, THs) will be converted to Agency Orders (AOs). **Note: TVs processed after this date must reference the converted agency orders (AOs).**
 - b) Pre-encumbrances (RAs, RPs, and RDs) will be canceled for all non-trust and bond accounts.
 - c) Year-end program will run against Fiscal Year 2026 accounts. Free balances will lapse or carry forward, depending on the appropriation language.
 - d) NJCFS will be down from July 31, 2026, 5 p.m. until August 3, 2026, 1:00 p.m.

B. Cancellation of Pre-encumbrances

On July 31, 2026, after the close of business, OMB will cancel all pre-encumbrances (RAs, RPs and RDs) in non-continuing appropriation accounts within the General Fund. In anticipation of this action, agencies are encouraged to convert pre-encumbrances that represent legitimate Fiscal Year 2026 obligations to encumbrances with proper vendor numbers prior to July 31, 2026. Uncommitted balances created by canceled pre-encumbrances will either lapse or carry forward in accordance with the appropriation type on the appropriation record.

C. Deficit Balances

Chapter 131, P.L. 1989 established a penalty of prison or fines for purposely and knowingly over expending an appropriation. Any fiscal officer, business manager, or director of administration could be held liable under Chapter 131, P.L. 1989 if salary accounts (or any other accounts) are allowed to go into deficit without immediate corrective action. Therefore, it is the responsibility of each fiscal officer to make certain that no Fiscal Year 2026 appropriation account closes the fiscal year with a negative unobligated balance. Agency fiscal officers should not rely on last-minute processing of transfers and other accounting documents to relieve deficits. Preparation and submission of deficit relieving documents should begin immediately upon receipt of this circular. Because of the time constraints involved, all transfers requiring OLS approval must be submitted to OMB no later than **July 10, 2026**.

All deficits on the Appropriation Table must be resolved by July 31, 2026. OMB does not require the elimination of deficits on the Expense Budget Table.

D. Exemption from Fringe Benefit Charges

A non-State-funded salary account can be considered exempt in Fiscal Year 2027 from applicable fringe benefit charges, according to Circular 20-10-OMB. However, new/expired requests for such an exemption **must be submitted** to the Director of OMB for approval prior to **July 31, 2026**.

E. Indirect Cost Exemptions

Effective July 1, 2026, all existing waivers for the recovery of indirect costs will be canceled. If a waiver is desired, a new request must be submitted to the Director of OMB for approval. The waiver request must provide justification for the exemption, the dollar amount of the exemption, and the funding source. All waivers will be for one fiscal year only.

F. IXP2 for New Budget Fiscal Year

To ensure federal payroll charges are posted to the federal grant, agencies are reminded to update the fiscal year and / or reporting categories on IXP2 records for federal accounts by June 30, 2026. For any payroll posting to Fiscal Year 2027, agencies must submit FM & FAIT documentation to establish the new reporting categories or update the IXP2 to point back to the prior year appropriation. Payroll charges will hit the account identified in the NJCFS value of IXPR as the default.

G. Intra-governmental

1. Treasury-Division of Administration (Treasury Fiscal)

- a) Treasury Fiscal requests that agencies process payments by July 10, 2026 to cover any actual or projected deficits. Central services administered by Treasury Fiscal are telephone, motor pool, postage, print shop, rent, Distribution Center, EnergySolve, WASP, and Division of Revenue and Enterprise Services (DORES) billings.

Note: Please advise OMB Financial Reporting of any material transactions not processed and recorded by July 31, 2026.

- b) Treasury Fiscal requests that agencies submit requests for vehicles by May 1, 2026 to allow sufficient time for processing prior to fiscal year end. Please refer to the Procurement of State Motor Vehicles Circular for procedures.

2. Office of Information Technology (OIT)

The Office of Information Technology requires that all agencies with outstanding balances for services provided by OIT process payments on or before Friday, July 10, 2026. Payment account information to OIT can be found on agency invoices located in the Cost Allocation and Recovery System.

3. Department of Corrections (DEPTCOR)

The process to encumber funds payable to DEPTCOR (State Use Industries) if funding is not encumbered through MACS-E purchase order type "STU" is as follows:

- a) Process an encumbrance (AO) with an intra-governmental indicator of "Y."
- b) Process an intra-governmental payment voucher (AV) in accordance with the provisions of Circular 95-08-OMB, referencing the intra-governmental encumbrance.

Note: BFY 26 must be referenced in the header of the AV transaction for payment to be credited to the seller account.

- c) The seller account on the AV transaction will be as follows:

<u>BFY</u>	<u>Fund</u>	<u>Agcy</u>	<u>Orgn</u>	<u>AP Unit</u>	<u>Actv</u>	<u>Rev Src</u>
26	100	026	7020	001		3769

- d) The description must be the invoice number from DEPTCOR.

H. Accounting Periods

Please refer to the chart below for the correct assignment of accounting periods.

<u>MONTH</u>	<u>FISCAL YEAR</u>	<u>ACCOUNTING PERIOD</u>
May	26 and earlier	11 26
	27	01 27
June	26 and earlier	12 26
	27	01 27
July	26 and earlier	12 26
	27	01 27



 Tariq Shabazz
 Acting Director