



# Office of Operations 2009 Fall Conference



*Navigating Uncertain Times*



## Voucher Processing

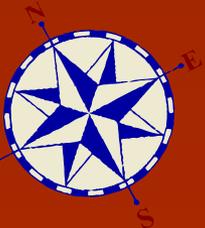
Paul Kosachiner and  
Patricia Goessler

October 21-22, 2009

# VOUCHER PROCESSING

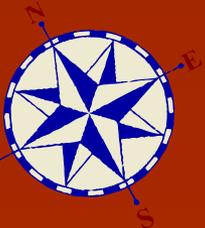
Paul Kosachiner, CIA, CMS, CGAP, APS  
Patricia Goessler

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Albany, NY 12236  
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Fax (518) 473-4392



# GOALS

- Discuss Parts of a Voucher
- Discuss OSC's Review Process
- Discuss Payment Obstacles
- Help Eliminate Excess Work
- Help Agencies Save Time and Money!

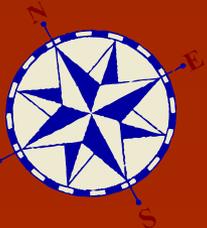


# PARTS OF A VOUCHER



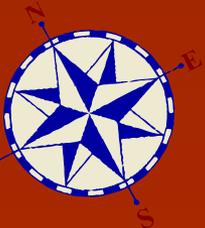
# Voucher Number (1)

- Unique document number
- Agency selected
- Reusable – but not under same batch



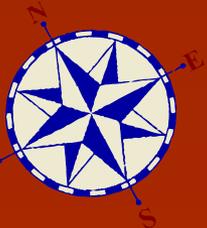
# Interest Eligible (4)

- Enter "Y" or "N"
- General Rule:
  - Gov. Entities – Interest Ineligible
  - Vendors – Interest Eligible
- See Bulletin A-91 R1
- Late Fees



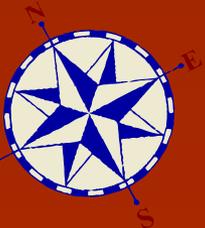
# Contract Fields

- P-Contract (5)
- Approved Purchase Order (28)
- APO/Agency Contract (47)



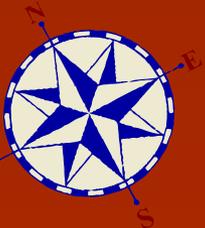
# Payee ID (8)

- Must be valid FEIN or SSN
- Vendor W-9 Forms
- Foreign Vendors *777-77-7777*



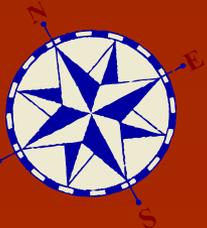
# Route (10)

- Indicates How the Check is Handled
- A-Route Code Most Common
- See Bulletin G-189



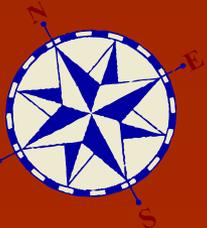
# VOUCHER DATES

- Most Common Voucher Errors
- Affects Prompt Payments
- Unnecessary Interest Payments



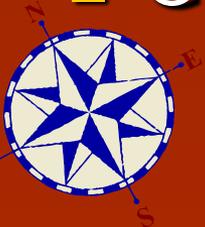
# Purchase Order Date (7)

- Date Agency Placed Order
- Contract Issues
- Lapsing Issues



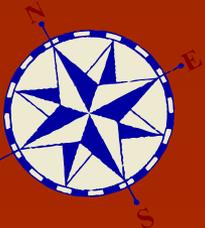
# Liability Date (7)

- Essential for Accurate Financial Statements
- Date Goods/Services Received
- Regardless When Invoice Received
- Contract Issues



# Liability Date (7)

- On-Going Services
- Partial Shipments
- Lapsing Issues
- See Bulletin A-270



# MIR Date (19)

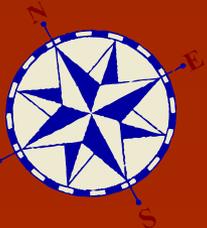
- "Merchandise/Invoice Received"

- It is either:

When Good/Services are received

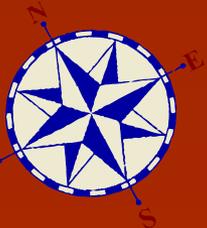
When the Invoice is received

Whichever is Later



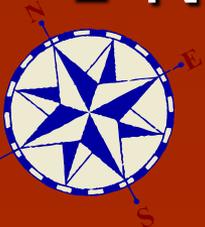
# MIR Date (19)

- Starts 30-day Prompt Payment
- MIR Sometimes = Liability Date
- MIR Never Before Liability Date
- How Is the MIR Date Determined?



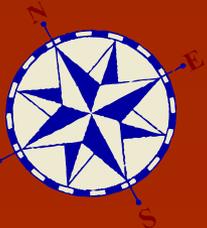
# MIR Date (19)

- Invoice Improperly Mailed
- Defective Goods/Services
- Inspection Period
- No Enacted Budget



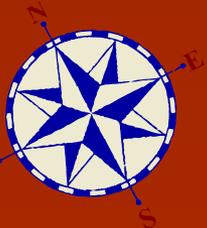
# MIR Date (19)

- Contract Terms
- OSC Review
- Non-Vendor Payment
- See Bulletin G-147



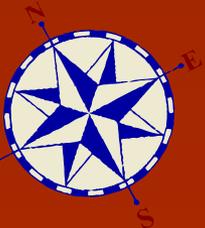
# Payment Date (6)

- Date Check is Actually Cut
- No More Than 30 Days Past MIR
- Contract Issues



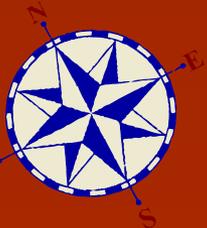
# Payment Date (6)

- Payment Date = Date Keyed
- Report VOU 65
- All Vendor Payments Combined
- See Bulletin A-491



# Invoice Date

- Invoice Date is not the MIR Date!
- Quick Pay Requirements
- Invoice Date & Number  
Identifies Duplicate Payments



# Proper Date Order

Purchase Order

Purchase Order

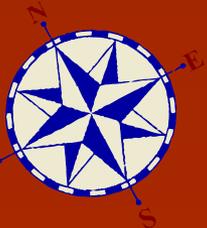
Liability

Liability/MIR

MIR

Payment

Payment



# Example

## Proper

PO Date – 5/1

Liability – 6/1

Invoice – 6/5

MIR – 6/15

Payment – 7/15

Cut Date - 7/15

## Improper

PO Date – 5/1

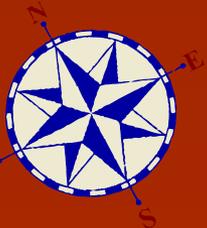
Liability – 6/1

Invoice – 6/5

MIR – **6/5**

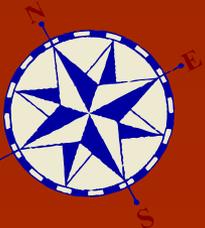
Payment – 7/5

Cut Date - 7/15



# IRS Code (20)

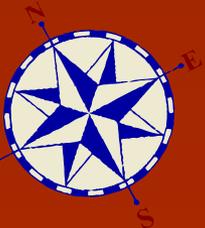
- For Payments Other Than Goods/Commodities
- Federal Reporting Regulations
- 1099 Forms



# IRS Code (20)

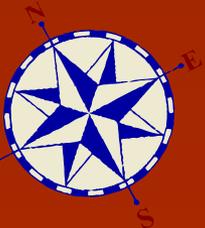
## Year End Headaches

- 1099 Errors
- 1099 Missing
- Request W-9 Forms



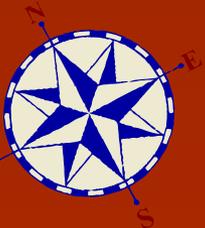
# IRS Code (20)

- See Bulletin G-132
- [Fedrep@osc.state.ny.us](mailto:Fedrep@osc.state.ny.us)
- Help Desk 1-866-370-4672



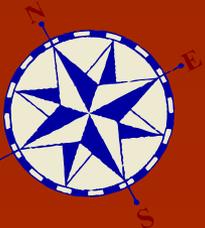
# Indicator-Statewide (25)

- OSC Assigned Codes
- Identifies Particular Payment Types
- ARRA Tracking – “U”
- See Bulletin A-602



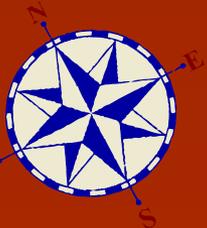
# Reference Fields

- Ref/Inv. No. (26)
- Ref/Inv. Date (27)



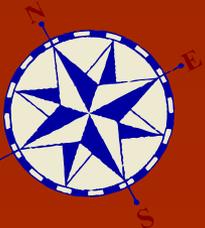
# Description (29)

- Narrative of Goods/Services Purchased
- Required Quick Pay Field
- OSC Reviews Start on Computer Screen
- Clear Descriptions Speed Up Reviews



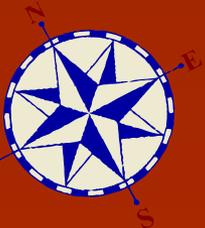
# Avoid Agency Lingo

1. Methadose Disp. Tabs-10 MG + 40 MG
2. April 08 RRAP
3. IVC Tracer Bariatric W/C
4. Type 7 Top



# Proper Invoice?

- Quantity (30)
- Unit (31)
- Price (32)
- Amount (33)
- Payee Certification (34)



**Total (35)**

**Discount (36)**

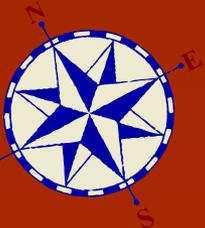
**Net (37)**



# Discount Formula

$$\frac{\text{Discounted Amount}}{\text{Discounted Price}} \times \frac{365}{\text{Days Paid Early}} = \text{ROI}$$

- Example: \$5,000 2/10 net 30
- $(\$100 / \$4,900) \times (365 / 20) = 37.24\%$
- Compare that to the interest earned on your bank account



# Discount Formula

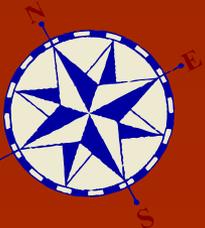
30 days of interest at 4%

$$\$5,000 * 0.003292901 = \$16.46$$

Compared to a \$100 discount

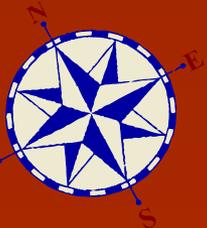
**\$83.46**

Saved



# Agency Certification (39)

- Agency Authorized Signatures
- If Signature < > Form AC852  
Then Rejected!
- Initials
- See Bulletin G-126



# Cost Center (42)

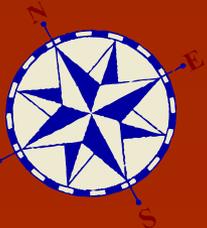
- Agency Unit/Dept./Program
- IDs Where Expense is Charged to
- See Report ASC280

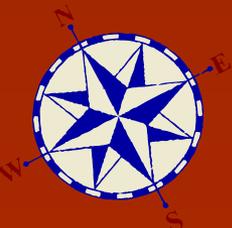
■ Using Correct Cost Center?



# Line (48)

- One Encumbrance Can Have Several Lines
- Liquidating the Correct Line?
- Can Hinder Agency Reviews

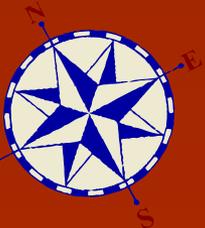




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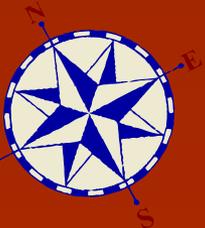
# VOUCHERS A DAY IN THE LIFE

(In a Perfect World)



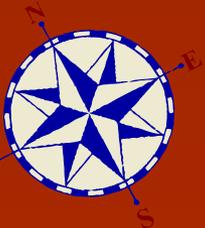
# Perfect World-Day 1

- Mail Delivered Several Times a Day
- Batches Date Stamped & Reviewed
- Batch Control Lists (BCL) Error Free
- All Batches Assigned to a "Universe"



# Perfect World-Day 2

- 10,000 – 20,000 Vouchers Daily
- Risk-Based Approach
- Vouchers are run against filters
- Identifies Risky Transactions



# Common Filters

**A-Routes**

**Discretionary Purchase**

**Vendors**

**Split Ordering**

**Authorities**

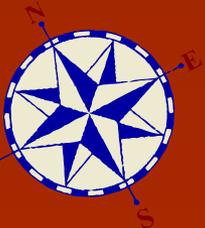
**Vendor Validity**

**Million Dollar**

**Invalid Payee ID**

**Contract Liquidation**

**Expired Contracts**



# Perfect World-Day 2

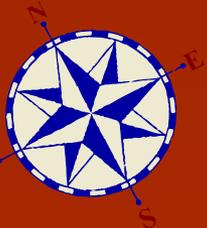
All Vouchers Matched Against Filters

Either

No Vouchers Match Filter Conditions

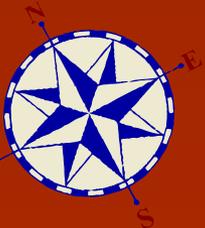
OR

Audited Vouchers have Required Information



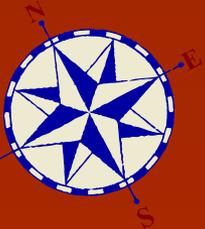
# Perfect World – Day 3

- Vouchers Released for Payment
- Payment Dates are Timely
- Vendors Receive Payments
- No Interest Payments Made



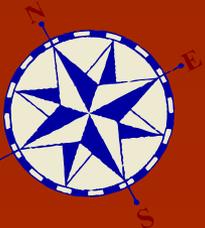
# VOUCHERS A DAY IN THE LIFE

(The Real World)



# Real World - Day 1

- How are Batches Lost?
- Staple/Paperclip/Rubber Banded Together
- Small Batches – Only One Voucher
- VOU 65 Report



# Real World – Day 1

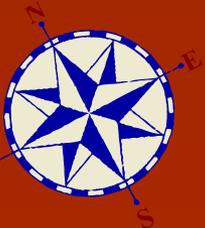
- BCL Errors

- Most Common Errors:

Not Enough Money in Encumbrance

Not Enough Money in Line

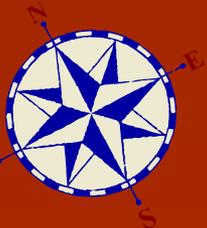
Cost Center Using Last Year's Money



# Real World – Day Two

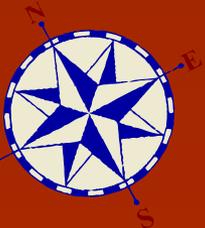
## Three Scenarios:

1. Voucher Hits Filter – Not Selected
2. Voucher Hits Filter – Selected
3. Voucher Does Not Hit Filter – Judgmentally Selected



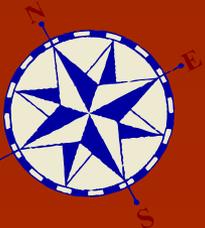
# Real World – Day Two

- Time Is Critical
- Quick Pay – 2:00pm Deadline
- Vouchers – 11:00am Deadline (D3)
- Work Loads Vary Day to Day

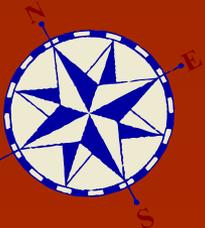


# Real World – Day Three

- Continue Review of Day Two Vouchers
- Start Work on New Vouchers
- Correct Simple Data Entry Errors
- Unresolved Issues? – Voucher Rejected



# Top Reasons Payments Are Rejected



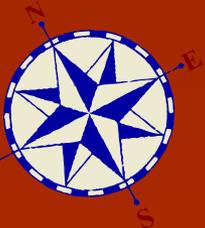
# Missing Supportive Documentation

- Purchase Order–Invoice–Receiving Report
- Answers Most of Our Questions
- As Price Increases More Information is Requested
- Bid Quotes, CRA, Sole Source Justification, etc...



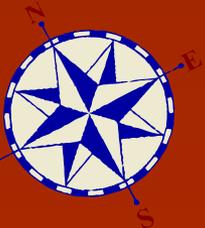
# Exceeding Discretionary Limit

- If Purchase Price Exceeds Agency Limit
- Then Agency Needs:
  - A Contract
  - An Approved Purchase Order, or
  - A Sole Source Justification (G-107B)
  - A Single Source Justification (G-107B)



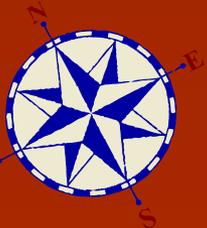
# No Money In Encumbrance

- This Will Generate a BCL Error
- Payments Should Never Reach OSC



# Contract Terms<>Purchase Price

- Many Contracts List Prices
- OGS Lists P-Contract Information
- Agencies Have C-Contract Information
- OSC Can Only Adjust Price Down



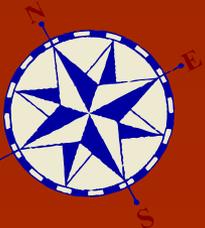
# Invoice Has Contract and Non-Contract Items

**IF** an Invoice Contains Both

**THEN** it can't be Paid Under the Contract

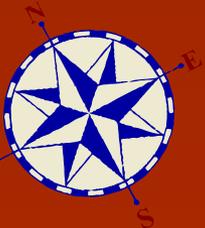
**EITHER** the Agency Needs 2 Invoices

**OR** the Agency Can Copy and Divide



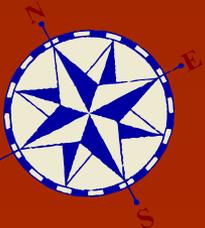
# Vendor Not Under Contract

- Vendor Not on Contract? - No Sale
- P-Contract Vendor Distributors
- Verify it's a Contracted Vendor



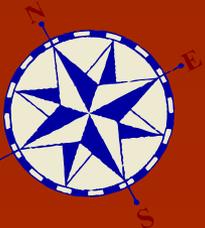
# Agency Response

- OSC Working With Deadlines
- If Requested Information Not Received
- Then Vouchers are Rejected



# Agency Response

- Who Signed Voucher? – First Call
- Alternate Contact? Write on the Voucher
- Absent? Meeting? On Vacation? Pass Day?
- Voice Mail - Include Alternate Contact

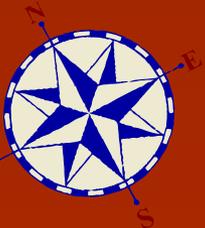




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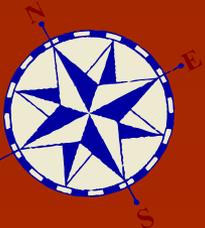
# Resubmitting Vouchers

- Quick Pay Vouchers – Stop Payment
- Vouchers – Rejected
- Vouchers off Central Accounting System
- OSC Creates New Filters



# Resubmitting Vouchers

- Correct Errors and/or Obtain Info
- Agencies MUST Re-Key Vouchers
- Follow Same Processing Procedures
- Don't Send Vouchers Directly to Us



# Resubmitting Vouchers

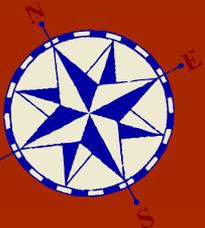
- Regular Voucher Should Contain:

New Voucher Sheet

The Old Voucher Sheet

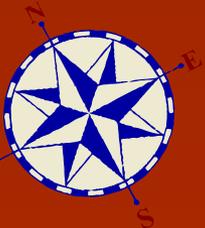
The Voucher Change Notice

Requested Information (If Any)



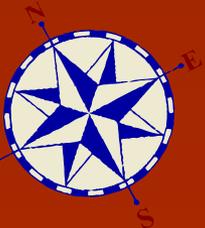
# Resubmitting Vouchers

- Liquidation Issues
- Rejected C-Contract Payment
- Funds Go Back Into Encumbrance
- Liquidate Re-Submittal



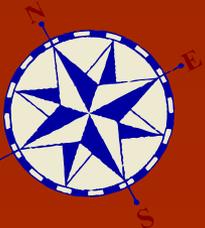
# Resubmitting Vouchers

- Rejected APO Payment
- Funds Go Into General Fund
- DO NOT Liquidate Re-Submittal
- Pay Off General Fund – Make Notation



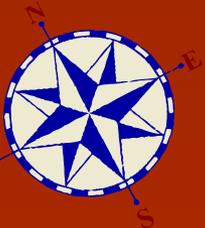
# Resubmitting Vouchers

- Quick Pay Stop Payment
- All Funds Go to General Fund
- Do Not Liquidate Re-Submittals

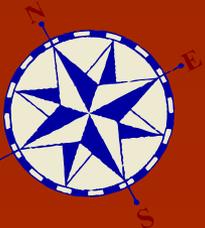




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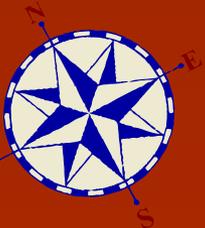
# **SAVE THAT TREE!** **or** **Reducing Paper Work**



# Reducing Paper Work

Batch Transmittal  
Sheets

Voucher Charge Continuation  
Sheets



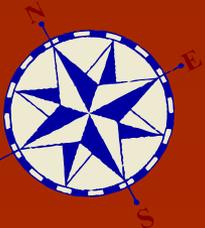
# Reducing Paper Work

Cost to NYS to Process One Voucher?

\$95

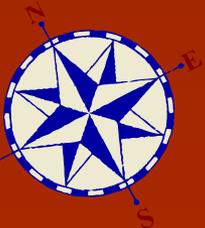
Reduce Number of Invoices

Reduce Number of Vouchers



# Reducing Paper Work

- See Bulletin G-209 – Master Billing
- Monthly Bills for High Volume Vendors
- Less Paperwork for Agency and Vendor
- Separate Contract & Non-Contract items



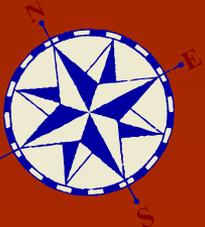
# Reducing Paper Work

How many invoices can go on a voucher?

**No OSC Limit**

Invoice Continuation Sheet – AC2373

Payee Continuation Sheet – AC2935

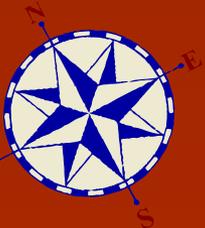


# Reducing Paper Work

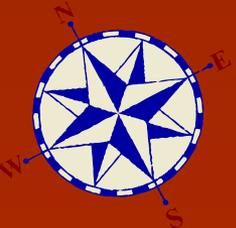
How many vouchers can go on a batch?

## **No OSC Limit**

- All Vouchers Must Have Same Batch Type
- See Bulletin G-012

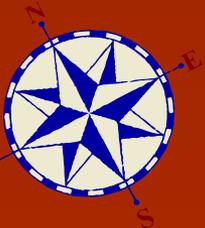


# Procurement Cards



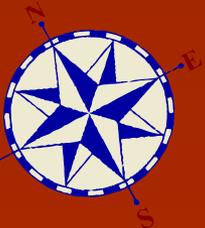
# Procurement Card Benefits

- Purchase Limit = Quick Pay Limit
- P-Contract Purchases
- Reduce Procurement Paperwork
- Agencies Get Goods Faster



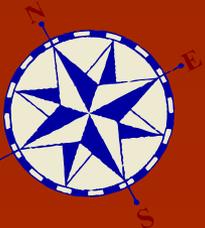
# Procurement Card Benefits

- Eliminate Small Dollar Payments
- One Monthly Bill
- Less Interest For Late Payments
- Data Available Within 24 Hours



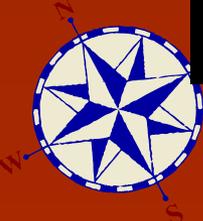
# Procurement Card Monitoring

- Agencies Can Set Purchase Limits
- Number of Procurement Cards
- Purchase Orders and Receiving Reports
- Inventory Controls





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# Conclusion



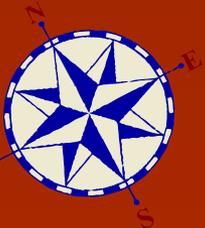
# A-Bulletins

- A-91-R1 – Prompt Payment Legislation
- A-270 – Liability Dates
- A376 – Quick Pay Voucher Rejection
- A-390 – Batch Transmittals
- A-491 – Auto Check Combining
- A-505 – Auto Check Combining-Key Points
- A-517 – VOU065 Enhancement
- A-543 – Credit Card Voucher Preparation
- A-589 – 2008-2009 Fiscal Year Preparation
- A-602 – ARRA Payments



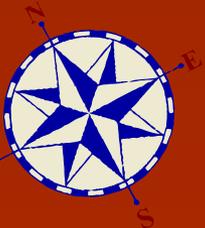
# G-Bulletins

- G-012 – Batch Sizes
- G-107B – Procurement Opportunity News
- G-126 – Authorized Signatures
- G-132 – Federal Reporting
- G-147 – Prompt Payment Update
- G-189 – A-Route Guides
- G-196 – Small Dollar Purchases
- G-209 – Telecom. Master Bills



# Forms

- AC 92 - Standard Voucher
- AC 852 – Authorized Signatures
- AC 2373 – Invoice Continuation
- AC 2396 – Voucher Charge Continuation
- AC 2408 - Document Register Form
- AC 2935 – Payee Continuation
- AC 3092 – Schedule Contract Payments
- ASC 280 – Cost Center Attribute Listing



<http://www.osc.state.ny.us/agencies/accmanual/index.htm>

**OFFICE OF THE STATE COMPTROLLER  
New York State Accounting System  
User Procedures Manual**

Volume I – Management Reference Guide

Volume II – Appropriations Segregations, Cost Centers

Volume III – Encumbrances and Expenditures

Volume IV - Revenue

Volume VIII – Accounting Codes

Volume IX – Accounting Policies

Volume XI – Controls and Special Procedures



# Thank you!

