STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
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State Comptroller

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MEMORANDUM NO. 2011-11

May 9, 2011

TO THE HEADS OF ALL STATE AGENCIES

Attention: Chief Administrative and Fiscal Officers and Business Managers

Subject: New Payment Policy for Purchases under $1,000

I. AUTHORITY

Section 4-98(c) of the Connecticut General Statutes, prescribes that "the Comptroller may allow budgeted agencies to use purchasing cards for purchases of ten thousand dollars or less. No budgeted agency, or any official, employee or agent of a budgeted agency, shall incur any obligation using such a card, except in accordance with procedures established by the Comptroller."

II. NEW PAYMENT POLICY

Effective July 1, 2011, payments for purchases by all state agencies under $1,000 shall be made using the State of Connecticut Purchasing Card. Purchasing cards (P-Card) must be used for payments to any vendor that provides commodities, services and/or utilities. Exceptions to this policy would be for purchases that must be approved using the Core 10 process, vendors who do not accept credit cards and purchases to restock inventories carried in the Core-CT inventory module. Agencies are encouraged to continue the use of P-Cards for all transactions within their agency purchasing policies.

III. BENEFITS

To achieve the maximum benefits from this policy change, agencies must review current agency business practices. The P-Card is a successfully proven program. In use by the state for more than a decade, it provides agencies an efficient, cost effective method of procuring small-dollar as well as high volume purchases. The P-Card not only represents a material cost savings, but it reduces valuable resources in the procurement and accounts payable operations, especially when compared to the traditional procurement and disbursement process.

IV. PURCHASING ASSETS WITH THE P-CARD

When a controllable asset or an addition to a capitalized asset has been purchased with the P-Card agency procedures must dictate how the purchase is to be handled. Communication between the P-Card purchaser and the agency asset processor is

required. A daily mail will announce a job aid and/or UPK which will show the method to appropriately code the P-Card purchase order and additional steps to integrate the asset into the Asset Management Module. If this process is not followed, the agency asset processor must enter the asset through the basic add feature in Core-CT, which could lead to an asset not being captured or incorrectly recorded.

V. BUDGETING AND REPORTING

For budgeting and reporting purposes information on purchasing activities is available through EPM reports and queries, providing the purchase order is coded properly. Agencies will also be able to generate vendor and spending reports from the Pathway Net system provided by JP Morgan Chase Bank.

VI. AGENCY P-CARD PROGRAM

To ensure statutory requirements regarding the encumbrance of funding, purchase orders must be established prior to using the P-Card in the new billing cycle, before the 11th of each month. Agencies must review their current P-Card business procedures and make changes as needed.

The State of Connecticut P-Card Coordinator Manual and Cardholder work rules are available at:

http://www.osc.ct.gov/manuals/pcard/coordinator/index.html

http://www.osc.ct.gov/manuals/pcard/workrules/index.html

VII. QUESTIONS

Please direct all questions or requests for assistance regarding this memorandum to the following:

Memorandum Interpretation:
Fiscal Policy Division (860) 702-3440.

EPM Reporting:
Core-CT Help Desk (860) 622-2300

Pathway Net Reporting :
Department of Administrative Services-Procurement Services (860) 713-5072

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http://www.osc.ct.gov
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