DATE: February 14, 2019

TO: Agency CFOs

SUBJECT: FCD Memo – FY19-010 – SHARE 9.2 Related Invoice Processing Change
Final Billed Amount in Excess of Remaining Purchase Order Value

To streamline the state’s invoice payment process, the Financial Control Division (FCD) will adopt a $5,000 partial direct payment allowance for the final invoice associated with a matched Purchase Order.

With the implementation of workflow, agencies are responsible for scanning and attaching approvals. To enhance processing efficiency, FCD will accept this memo as documentation of approval to direct pay any vouchered and final matched invoice where the unencumbered payment line is $5,000 or less.

Please note, the implementation of this processing allowance does not alter the fact that the agency violated MAPs FIN 4.4 and was not compliant with NMSA 6-5-3 which states that appropriate funds shall be encumbered to the extent of the proposed expenditure. Therefore this should be considered a MAPs violation when discussing procurement issues with your IPA.

Before attaching a copy of this memo to each instance where the final invoice exceeds the remaining matched PO value by the $5,000 allowance or less, the agency, in the person of the CFO or designate should:

1. Annotate at the bottom of this document the cause of the overrun. For example, gross receipts tax increased, omitted transportation cost, change in invoicing processing practice as PO anticipated some cost to be allocated to FY20, or any other appropriate cause.
2. State in writing, “To the best of your knowledge, there were no procurement violations related to this expenditure”.

Please disseminate this processing change within your organization.