MEMORANDUM

DATE: June 30, 2018

TO: State Agency CFOs

FROM: Ron C. Spilman


To streamline the state's invoice payment process, the Financial Control Division (FCD) will implement a standard, $500 partial direct payment allowance for all final fiscal year 2018 invoices associated with a matched Purchase Order.

In the past, FCD required individual direct payment requests for any invoice where the amount vouched exceeded the remaining funds on the related purchase order. Under the SHARE 8.8 process, the direct pay request for the amount in excess of the purchase order was reviewed and upon "inked" approval, payment was processed and all documents scanned by FCD. With implementation of workflow, agencies are responsible for scanning and attaching approvals. To prevent waste, FCD will accept this letter as blanket documentation of approval to direct pay any vouchered invoice where the unencumbered payment line is $500 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.

Additionally, prior to attaching this letter to each instance where the final invoice exceeds the remaining matched PO value by the $500 allowance, the agency should annotate at the bottom of this letter the reason for the overrun. For example, gross receipts tax increased, omitted transportation cost, or any other appropriate cause.

Please disseminate this processing change within your organization.