



Cabinet Secretary Wayne Propst

Deputy Cabinet Secretary Renee Ward

Acting State Controller Mark Melhoff

Governor Michelle Lujan Grisham

DATE: **March 21, 2024**

TO: **State Agency CFOs**

SUBJECT: **FCD Memo FY24-003 – 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 FY24 invoice associated with a valid and matched Purchase Order.

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 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 external auditor.

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

1. Annotate at the bottom of this document the cause of the overrun.
2. State in writing, "To the best of your knowledge, there were no procurement violations related to this expenditure".

Please disseminate this within your organization.

A handwritten signature in black ink, appearing to read 'Mark Melhoff', written over a horizontal line.

Mark Melhoff
Acting State Controller