



**DMA Policy: 67010-1**

**Name: FINANCIAL ACTIVITY CONTROLS**

**Reference: Title 17, MCA; NGR 5-1**

**Master Cooperative Agreement &  
Appendixes**

**Approval Signature: \_\_\_\_\_**

**Date: October 26, 2012**

It is the policy of the Department of Military Affairs (DMA) to establish a level of consistency and control in the processing of department-wide financial activity.

## **A. ACCOUNTS PAYABLE**

### **Invoices submitted for payment must:**

1. Be an original properly completed invoice. Payments will not be made from statements unless the vendor's invoice and statement are one in the same.
2. Be date stamped upon receipt by the receiving program.
3. Be received by the Centralized Services Division (CSD) within **10 working days** from the date the invoice was stamped in by the program. (Submission of invoices within this timeframe allows adequate time for CSD to process payments in compliance with the 30 day timely payment language in M.C.A. 17-8-242.)
4. Appropriate state and or federal coding must be provided:
  - a. STATE CODING
    - i. Account number
    - ii. Amount to be paid must match the invoice current amount owed or an explanation must be provided identifying the difference.
    - iii. Fund number or speedchart number
    - iv. Org (if not using a speedchart)
    - v. Program Year
    - vi. Project (if applicable)
    - vii. Payment authorization must be signed by a delegated state funds/spending authority manager.
  - b. COOPERATIVE AGREEMENT FEDERAL CODING
    - i. Amount to be reimbursed must match the federal amount designated for payment by the state funds/spending authority manager.
    - ii. Reimbursement authorization must be signed by the appropriate federal funds manager.
    - iii. All invoices coded to a prior federal fiscal year must be on the approved ULO list that is saved on the CSD share drive.

5. Have an itemized description of items or services being purchased in layman's terms.
6. Have a contract or purchase order number clearly written on the invoice for all payments for obligations with a total value of \$5,000.00 or more.
7. Include the model and serial number or copy of the title, if available, for all items being purchased that belong on the State Accounting, Budget and Human Resources System (SABHRS) asset management module.

**State Credit Card bills submitted for payment must:**

1. Be an original invoice.
2. Be date stamped upon receipt by the receiving program.
3. Be received by CSD by the 21<sup>st</sup> of each month.
4. Have a memo or purchase order with coding submitted to CSD by the 21<sup>st</sup> of each month for phone, mail and email orders where there is not an invoice available. The original invoice for phone, mail and email order items must be submitted to CSD when received
5. Appropriate state and or federal coding must be provided:
  - a. STATE CODING
    - i. Account number
    - ii. Amount to be paid must match the charged amount or an explanation must be provided explaining the difference.
    - iii. Fund number or speedchart number
    - iv. Org (if not using a speedchart)
    - v. Program Year
    - vi. Project (if applicable)
    - vii. Payment authorization must be signed by a delegated state funds/spending authority manager.
  - b. COOPERATIVE AGREEMENT FEDERAL CODING
    - i. Amount to be reimbursed must match the federal amount designated for payment by the state funds manager.
    - ii. Reimbursement authorization must be signed by the appropriate federal funds manager.
6. Have an itemized description of items or services being purchased in layman's terms.
7. Have a contract or purchase order number clearly written on the invoice for all payments for obligations with a total value of \$5,000.00 or more.
8. Include the model and serial number or copy of the title, if available, for all items being purchased that belong on the State Accounting, Budget and Human Resources System (SABHRS) asset management module.

Incomplete or incorrectly coded invoices will be returned to the program(s) for correction.

**Credit Card Default Requirements**

If a credit card bill is not received by CSD prior to the cycle cutoff date, the bill will post to the default expenditure account, org and fund set up for the credit card. It is the responsibility of the program to ensure that when the default invoices are submitted to CSD they are identified as invoices that went to default and a written journal request is made to move the expenditures from default

coding to the correct coding. All expenditures in the default account must be moved to the correct expenditure account by the 15<sup>th</sup> of the following month.

## **B. ACCOUNTS RECIEVABLE**

To ensure compliance with M.C.A. 17-6-105(6), all checks received must be endorsed for deposit upon receipt, have the information stamp filled in on the check stub and be hand delivered to CSD the day of receipt. If there is no check stub, a photocopy shall be made of the check and the information stamp shall be filled in on the photocopy. All cash shall be hand delivered to CSD the day of receipt accompanied by a cash receipt which has on it the information stamp complete with the appropriate accounting information. Programs located outside of Helena will mail checks and cash to CSD the day of receipt.

## **C. FEDERAL FUNDS REIMBURSEMENT**

1. CSD must have a signed funding document and cash must be available to the state before any federal funds are spent thru the state.
2. Programs spending federal cash will provide SABHRS org reconciliation reports to CSD by the 15<sup>th</sup> of the each month to ensure that all expenditures made for the previous month are reimbursed. Current year and prior year must be reported on separate reports.
3. Any adjustment requests to correct errors must be submitted to CSD in writing by the appropriate state program funds manager.

## **D. BUDGET PREPARATION AND MAINTENANCE**

1. State Program Managers are responsible for providing accurate and timely information on all program budget activity during the Executive Planning Process (EPP) and the Montana Budget Analysis and Reporting System (MBARS) process.
2. Budget amendments for additional spending authority must be initiated as soon as the program is in receipt of a federal funding document or grant extension document.
3. All Budget Change Documents (BCD) must be processed through CSD.

## **E. STATE FISCAL YEAR END**

All known obligations that are not paid by June 30 must to be accrued. In order to accrue an obligation the following information must be received by CSD by June 30<sup>th</sup>.

1. A purchase order or contract dated prior to June 30<sup>th</sup> stating the name of the vendor, the amount of the obligation and a description of the obligation.
2. The financial coding for the expenditure.
3. Whether the item or service is received before or after June 30<sup>th</sup>.

CSD will send additional instructions for state fiscal year end closeout prior to June 30<sup>th</sup>.



## **F. COOPERATIVE AGREEMENT FEDERAL FISCAL YEAR END**

In accordance with the cooperative agreement, the United States Property and Fiscal Office (USPFO) is to be provided with a list of all unreimbursed obligations for the fiscal year remaining 90 days after the end date of the funding. The state program managers are responsible for providing CSD with a comprehensive list of outstanding obligations with anticipated reimbursement dates. CSD will then forward this list to the USPFO.

CSD will send additional instructions for federal fiscal year end closeout.

## **G. SABHRS MAINTENANCE**

1. Program funds/spending authority managers are responsible for ensuring that SABHRS speedcharts and task profiles have the correct attributes to record financial activity correctly in SABHRS.
2. All requests for changes or additions to SABHRS orgs, projects, speedcharts, task profiles, or account codes must be made to CSD in writing prior to being used to code expenditures or revenue.

## **H. ALL STATE FUNDS/ SPENDING AUTHORITY PROGRAM MANAGERS ARE RESPONSIBLE FOR:**

1. Management of their budgets, both cash and spending authority.
2. Reviewing and reconciling all SABHRS activity to ensure it has been processed as intended each month.
3. Knowing and following all state and federal procedures, rules and laws pertaining to their funding.

## **I. CSD WILL:**

1. Review program reconciliations and cash balances each month.
2. Test Program Accounting Controls on an ongoing basis.
3. Perform annual reviews of accounting records for accuracy and unusual transactions.