

State of Rhode Island
Department of Administration

INTER-OFFICE MEMORANDUM

Office of Accounts and Control

TO: Chief Financial Officer
All Agencies

DATE: May 24, 2016

FROM: Louise M. Sawtelle
Associate Controller - Operations

SUBJECT: **CFO 16-10 Direct Pay Documents (Batch Payments) in RIFANS**

The Direct Pay Payment Process has the least amount of purchasing oversight due to the nature of the payments. As a result, enhanced controls are required to reduce the risk of processing payments that are not compliant with purchasing rules and regulations.

Direct payments for the specific suppliers listed below will not be allowed to be uploaded into RIFANS. *Please note that all of the suppliers on the list have an existing Master Price Agreement.*

IKON Office Solutions Inc.	Supplier # 278
DS Waters of America Inc	Supplier # 29596
RI Temps Inc.	Supplier # 533
Waste Management RI Inc.	Supplier # 1000
Grainger Inc. (use P-card under \$10,000)	Supplier # 1778
MSC Industrial Supply Co. (use P-card under \$10,000)	Supplier # 5271
Fastenal Co. (use P-card under \$10,000)	Supplier # 4022

If any of the suppliers listed above are processed as a direct payment after, the invoice(s) will automatically be rejected and you will be notified by your contact at Accounts & Control. The following error message will appear on the RI Payables Sundry Error Report.

'Vendor or Vendor/Nat Acct combination is not valid for batches

Vendor#:' xxxxx ' Natural Account: ' xxxxxx

It is important to note that the entire batch will not be accepted for import until the invoice(s) in question is removed.

Please note that we continuously monitor the direct payments to identify non-compliant suppliers to add to the control process. Transactions may be sent to you periodically asking for an explanation or justification as to why the payment was issued without a Purchase Order.

Finally, attached is a list of payment types that are allowable for Direct Payments and an example list of payment types that must be on a Purchase Order to provide guidance on processing. Please review the lists to ensure that your agency is processing payments accordingly.

Following is a list of payments that are allowed as Direct Payments

1. Utilities (sewer, water, telephone, electricity)
2. Payments to cities and towns that are not related to a written agreement
3. Appropriated State Aid
4. US Postal Service
5. Land Acquisitions and Easement Rights
6. Insurance
7. Conference & Registration Fees for suppliers that do not accept P-Cards
8. Dues/Fees/Subscriptions less than \$500.
9. In-service training payments to the Office of Training and Development
10. Employee tuition
11. Refunds (one-time payments)
12. Non-state employee reimbursements (one-time payments)
13. Byrd Scholarships (one-time payments)
14. Imprest cash payments to disbursement officers
15. Printing, binding, advertising (only election expenses relating to Secretary of State's Office) exempt from requirements of Chapter 37-2, per section 37-2-74
16. Reimbursement transactions between the Office of Higher Education and URI, CCRI and RIC
17. Unique circumstances with justification and sign-off by Division of Purchases

Examples of payments that must be on a Purchase Order:

1. Payments to cities and towns related to written agreements
2. Dues/Fees/Subscriptions \$500 or more
3. Printing services
4. Purchase of copy machines and maintenance on copiers
5. Purchase of computer equipment
6. Leases
7. Security systems/services
8. Locksmith services
9. Legal services
10. Courier services
11. Timestamp services
12. Honorarium services
13. Translator services
14. DS Waters of America purchases
15. Mail machine supplies
16. Grainger, MSC and Fastenal purchases over \$10,000
17. DEM purchases through the Recreational Trails Program
18. Developmental Disability Division contracts for building renovations
19. Delegated authority payments to Developmental Disability Division