



STATE OF RHODE ISLAND
DEPARTMENT OF ADMINISTRATION
Office of Accounts and Control

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TO: Chief Financial Officers

DATE: February 28, 2023

FROM: Dorothy Z. Pascale, CPA, State Controller

SUBJECT: **CFO 23-02 JP Morgan Virtual Card Program**

This message serves as an introduction by the Office of Accounts and Control regarding the practices, procedures, and policy for use of the new JP Morgan Virtual Card Program. This program will be implemented within the coming months, so please take the time to review this message, as more information will be forthcoming.

The JP Morgan “Virtual Card” will be a new method for the state to pay its vendors. Under this program, vendors are allowed to register, on a voluntary basis, to receive payment from the state using a credit card number.

This is not a physical card, but a number that vendors will use to issue a charge for their services in their credit card system. Many large vendors already receive other payments utilizing this type of method.

This new voluntary payment process in RIFANS will be seamless. One change to note is the payment document number. Instead of a check number, ex. 234567, or an ACH number, ex. 1000123456, a 10-digit payment document number such as 3000123456 will be the listed reference. All other RIFANS requirements remain the same.

If a vendor has a question regarding a virtual payment, contact information will be available on the Office of Accounts and Control website. JP Morgan handles all customer service questions related to these payments.

Benefits of this program to the State include reduced costs of issuing physical checks, stop payment requests and check void/replacements. In addition, the State will have an increased cash flow cycle from the date a vendor is paid until the 15th of the following month when the state makes payment to JP Morgan. As enticement for the vendor to utilize this payment method, the state will reduce the payment cycle from Net 30 days to Net 15 days for all their invoices.

For the vendor to be paid within 15 days, we need your help. Agencies, divisions, and departments can assist the Office of Accounts and Control with timely vendor payments by doing the following:

- Obtaining purchase orders prior to goods or services being rendered
- Submitting invoices to our office in a timely manner
- Asking vendors to submit invoices directly to DOA.Invoices@doa.ri.gov in PDF form with the proper purchase order number
- Receiving purchase order goods or services in RIFANS as soon as possible
- Reviewing the Open Invoice Report posted on the Controller's website each week and take any necessary action on each item

These changes are essential to help not only process invoices for the virtual card vendors, but also get vendors paid in a timely manner.

As we move into the new Enterprise Resource Planning (ERP) system, there will be analytics available, including aging reports by agency and by vendor. Please note that the Office of Accounts and Control will be able to run a report showing if invoices are not being paid on time due to untimely submittal and/or processing in the system. These analytics will give us a better view into the reasons for late payments so that the Office of Accounts and Control may take corrective action.

Our office will be sending additional information as we get closer to rolling out this new program. We expect the first group of vendors to start registering in the early spring. Thank you for taking the time to review this message, as it is imperative for all agencies, divisions, and departments to be aware of this new payment method.