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TO: All Holders of the Financial Planning and Control Manual

NEW ACCOUNTING PROCEDURES

BULLETIN NUMBER: 191	February 8, 1993
SUBJECT: 'T' Contracts / Purchase Orders	

Attached are copies of OSC procurement and Disbursement Guidelines bulletins G-120, G-124 and G-125, dated 8/25/92, 1/4/93 and 1/27/93, respectively. These bulletins prescribe procedures for the processing of contracts and encumbrances for the purchase of goods and services valued between \$5,000 and \$10,000. Bulletin G-125 also describes new procedures for the entry of eligible transactions into the OSC Central Accounting System (CAS), effective February 8, 1993.

Chapter 319, Laws of 1992

Section 112 of the State Finance Law was amended by Chapter 319 of the Laws of 1992, effective 9/1/92, to provide that no contract in excess of \$10,000 (formerly \$5,000) shall become effective absent the advance approval of the State Comptroller. This legislation permitted the development of the 'T' contract process, the most significant impact of which was to reduce the number of contractual obligations subject to OSC approval.

'T' Contracts/Purchase Orders - New CAS Conversation

Effective February 8, 1993 all 'T' contracts or purchase orders must be entered into the new 'T' Contract Entry/Correct conversation to be available via CAS Agency Menu 003. Use of the 'T' contract conversation is required for multiple payment purchases of between \$5,000 and \$10,000, and optional for

single payment purchases of \$10,000 or less. OGS 'P' contract purchases should be submitted as purchase orders, not as 'T' contracts. Publication in the State Contract Reporter is required for all competitive purchases of \$5,000 or more, including 'T' contracts or purchase orders.

'T' contract transactions must be entered in the 'T' Contract Entry Conversation using contract prefix 'T' and encumbered via AC-340 using batch type 'TNT'. District/administrative offices are not required to submit 'T' contracts or encumbrances to OSC for approval. For purposes of improved internal control, use of the 'T' contract process is recommended for all eligible purchases of \$10,000 or less.

When processing vouchers against previously encumbered 'T' contracts or purchase orders, specific supporting documentation is required to be submitted with the first payment, and special batch types are prescribed. Please refer to OSC bulletin G-120 for specific instructions. The 'MIR date' for 'T' contract payments is defined as the later of: the date goods/services are received; the date the invoice/voucher is received; or 9/1/92, the effective date of Chapter 319, Laws of 1992.

'T' Contract Amendments/Increases

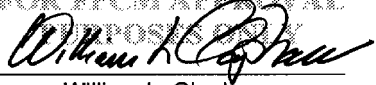
Under extraordinary circumstances, it may be necessary to amend a previously entered 'T' contract transaction to an amount which exceeds the \$10,000 statutory limitation. If such an event should occur, bulletin G-125 prescribes that the following procedures must be followed:

1. Enter the amendment using the 'Contract Entry/Correct' conversation (not the new 'T' Contract Entry/Correct conversation).
2. Prepare a Contract Encumbrance (AC-340) and two (2) copies of the contract amendment or Purchase Order. Include justification as to the need for increased funding, referencing the original 'T' contract, batch and document number.
3. Batch the above using batch type 'TNC' and submit to the OSC Contract Approval Unit. One copy of the amendment will be returned upon audit release by OSC. 'T' contract amendments do not require the Attorney General's approval or the submission of an Appendix 'A'.
4. When submitting vouchers applicable to OSC approved 'T' contract amendments, use batch type 'VCC'. Send the completed voucher/invoice, but do not resubmit the original documentation or justification. Remember to use the 'Quick Pay' conversation (CAS menus 027, 028) for 'T' contract payments of \$500 or less; in such cases, do not send any documentation to OSC.

***It should be noted that the procedures referenced herein apply only to the processing of eligible transactions through the State Comptroller's Office. These procedures are not intended to supersede the rules or dollar thresholds for contract processing and/or competitive bidding, as contained in the UCS Purchasing and Contracts Procedures Manual.**

Please ensure distribution of this bulletin to all personnel who are responsible for the processing of, or the monitoring of internal controls relating to, purchase orders and contracts payable from state funds.

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NYS UNIFIED COURT SYSTEM
FOR EPCM APPROVAL

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