



STATE OF NEW YORK
UNIFIED COURT SYSTEM
OFFICE OF MANAGEMENT SUPPORT
AGENCY BLDG. 4 - 19TH FLOOR
4 ESP, SUITE 2001
EMPIRE STATE PLAZA
ALBANY, NEW YORK 12223-1450
(518) 474-4971

E. LEO MILONAS
Chief Administrative Judge

JONATHAN LIPPMAN
Deputy Chief Administrator

WILLIAM CLAPHAM
Director of Financial Management
and Audit Services

TO: All Holders of the Financial Planning and Control Manual

NEW ACCOUNTING PROCEDURES

BULLETIN NUMBER: 224	January 26, 1995
SUBJECT: Scheduled Contract Payment (SCP) Processing	

Attached is a copy of OSC Accounting Bulletin number A-354, dated January 3, 1995. This bulletin describes, and is intended to serve as an operations manual for, the Comptroller's new Scheduled Contract Payment (SCP) process.

SCP System Overview

The SCP system is designed to automate the issuance of both contract and non-contract payments which do not require pre-audit by OSC and can be scheduled in advance. Once entered into the Central Accounting System and approved by OSC via the Contract Encumbrance (AC340) process, SCP payments transactions are available on-line so that they can be reviewed, corrected as necessary, certified and released for payment by district/administrative staff through use of the Quick Pay System. Hardcopy vouchers and supporting documentation need not be sent to OSC. Special on-line reporting and inquiry facilities are provided for monitoring and control purposes.

While initially designed for use with formal contracts, the SCP process should be considered for any acquisition which requires recurring payments. For contracts or acquisitions in which not all payments can be scheduled and predetermined, the SCP process can also be supplemented with the use of normal hardcopy vouchers. OSC is encouraging user creativity in determining suitable applications for SCP processing.

New / Revised Forms

With the implementation of the SCP system comes necessary revisions to the Contract Encumbrance Request (AC340) form and a new Scheduled Contract Payments (AC3092) form. Samples of both forms and explanations for their use are detailed in bulletin A-354. Existing supplies of AC340 stock should be used until they are depleted. As with all OSC forms, district/administrative offices considering the design and use of their own computer-generated versions of these forms should contact the Division of Budget & Finance before putting them in use.

Modifications to the Central Accounting System

The Central Accounting System (CAS) has also been modified to include new data entry and correction requirements for contracts and scheduled payments. Changes to the CAS on-line Contract Entry and Contract Correction conversation screens related to SCP processing have also been made. For inquiry purposes, a new Scheduled Contract Payment Inquiry has been added to CAS menu 016 and the Contract Inquiry Detail has been amended to include the new fields added to the AC340 form. Refer to bulletin A-354 for detailed instructions.

Correction and Release of VSP Batches

Each day, the Central Accounting System will automatically check for pending SCP transactions previously entered by agencies which are scheduled to be paid within the next 14 days. If eligible payments are found and the CAS system edits detect any errors, a new VOU911 report will be generated on local printers. If eligible payments are found and all system edits are in order, the CAS will automatically create an electronic "voucher" which includes one payment per document and batch with batch and document numbers to be assigned by OSC. Batches will be assigned batch type '**VSP**' and batch numbers will begin with prefix 'Z'. (Note: Any district/administrative offices currently using 'Z' batch prefixes should cease doing so immediately.)

New VOU910 (VSP Batches Awaiting Agency Correction) and VOU915 (VSP Batches Awaiting Agency Certification) reports will be generated daily on district/administrative office printers. These reports will list, by originating agency, those VSP batches, if any, which are pending correction or certification as of that date. These batches are accessed via the Quick Pay Voucher Correct and Quick Pay Certification conversations, both of which had been amended to facilitate agency correction and certification of VSP batches.

Like pending Quick Pay batches, VSP batches require the prompt intervention of district/administrative personnel. All individuals currently authorized to enter or certify Quick Pay batches are automatically authorized to enter or certify VSP batches, as well.

Each VSP batch appearing on the VOU910 report should be accessed via the Quick Pay Voucher Correct conversation where it must be recapped and released for processing. Expenditure posting updates will occur at this point. Any VSP voucher that should not be paid must be deleted by district/administrative staff. Once the batch has been successfully released, it will no longer appear on the VOU910 report. The VOU915 report lists all VSP batches awaiting certification. Batches will continue to appear on the VOU915 report until certification or rejection has been fully executed.

Hardcopy Voucher Exceptions

In certain situations, it may be necessary or advantageous to process a hardcopy voucher payment against a contract for which payments have been scheduled. When processing such payments, batch type '**VSM**' should be used and the voucher should be processed via the normal Voucher Entry/Correct conversation, not the Quick Pay conversations.

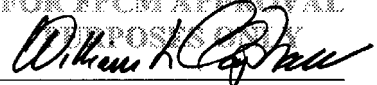
Internal Controls

Like Quick Pay voucher processing, the SCP process requires that certain special internal controls be adhered to by district/administrative personnel:

1. Review daily Payee Lists (VOU065) to ensure that only authorized payments have been processed.
2. Retain necessary source documents and audit trails for post audit purposes.
3. Retain certification BCL's for a minimum of 3 years.
4. Adhere to all OSC terminal and password security controls as contained in the "Security Users Guide" (all CAS users) and in the "Policies and Procedures for Remote Agencies" (agency security coordinators). Agency finance officers are responsible for ensuring that no employee can perform both entry/correction and certification of Quick Pay and/or SCP vouchers.

The Scheduled Contract Payment process has the potential to introduce many new economies and efficiencies into the payment process, particularly those acquisitions involving recurring payments. Given the state's current fiscal climate, the implementation of this new initiative could not be better timed. Maximum use of the SCP system should be made wherever practical.

Please ensure distribution of this bulletin to all personnel within your respective jurisdictions who are responsible for the processing of, or the monitoring of internal controls relating to, the processing of contract and non-contract payments.

NYS UNIFIED COURT SYSTEM
FOR EPCM APPROVAL
PURPOSES ONLY

William L. Clapham