

# COMPLIANCE UPDATES AND USEFUL TIPS

## CULTIVATING A CULTURE OF COMPLIANCE

Monthly updates from the MDE Office of Compliance

MAY 2019

### IN THIS ISSUE:

- End of Year (EOY) Checklist and Deadlines
- Food and/or Space Purchases
- MDE Facilitator Agreement
- Electronic Submission of Specific Payments
- Procurement Deadlines
- Report Fraud, Waste, and Abuse

The end of Fiscal Year 2019 is less than two months away. This month's *Compliance Updates* features an EOY checklist and deadline dates to help close the year effectively. There are tips concerning Food and/or Space purchases, electronic submission of specific payments to the Office of Accounting, the MDE facilitator agreement to be used during the procurement evaluation process, and procurement deadline dates. Finally, there is a friendly reminder to report any suspected fraud, waste, and abuse.

### End of Year Checklist

#### ➤ **Purchasing**

- ❑ **REMINDER:** Before a request to purchase equipment can be submitted to the Office of Procurement, a budget revision form **MUST BE SUBMITTED** to the Office of Budget & Planning to transfer funds to the appropriate Equipment category. Failure to do so will delay the purchasing process.
- ❑ Make final purchasing decisions and place orders now for any goods/services needed this fiscal year to avoid the last-minute, year-end rush.
- ❑ Make sure your purchasing request is complete with the appropriate supporting documentation. Quotes based on purchasing thresholds, technology purchase forms, technology project plans, CP-1's, contracts, and contract numbers must be attached when necessary.
- ❑ Make sure a W-9 Form is included for new vendor purchases. A valid email address, mailing address, and telephone number must be provided to complete vendor registration.
- ❑ Before submitting a purchase order (PO) modification to increase a PO, make sure the vendor submits documentation of the item and increased cost for your approval **prior to** vendor modifying the order and submitting a final invoice for payment.
- ❑ After **ALL** payments are made, if there are unspent funds on the PO, notify the Office of Procurement to deobligate those funds **prior to the end of the fiscal year**.
- ❑ For **multi-year contracts**, **ALL** unspent funds on the **FY19 PO MUST BE DEOBLIGATED** in order to open a purchase order in Fiscal Year 2020.
- ❑ **DO NOT PURCHASE** goods that are on back-order. When obtaining your vendor quote, verify with the vendor that the item **is not on backorder**.
- ❑ Shipping costs must be calculated on the front-end when obtaining a vendor quote.
- ❑ Make sure any vendor discrepancies or problems with orders/returns are resolved immediately.

### END OF FISCAL YEAR DEADLINES

To view end of fiscal year deadlines, go to the Office of Accounting webpage, click the Documents tab and select the End of Fiscal Year Deadline link

(<https://www.mdek12.org/sites/default/files/Offices/MDE/COO/Accounting/2019fiscalyearendprocess.pdf>).

- Review all purchases and services that were provided during the year and contact any vendors/consultants who have not submitted invoices/travel requests for payment.
- To avoid purchasing violations, make sure invoices paid-to-date and final invoices **do not exceed** the PO total.

➤ **Travel**

- Plan ahead to submit timely requests for travel advances two weeks prior to any travel scheduled between now and June 30, 2019.
- Clear any outstanding travel advances immediately upon return from travel to avoid complications with your payroll check.
- Ensure travel is prepared on the correct travel voucher. Travel for July 2018 through January 2019 should be prepared on the travel voucher revised April 2018.

➤ **Budgets**

- Please check your budgets prior to placing orders through Procurement and/or submitting invoice payments to Accounting.
- If a budget revision is needed, request the revision through the Office of Budget & Planning.
- Review budget balances to make sure funds are available in the appropriate budget categories (i.e., travel, contractual, etc.). Lack of funds in appropriate budget categories will result in budget errors and delayed processing of purchasing requests and/or invoice payments.
- Prior to submitting purchase requests for equipment, submit a budget revision form to the Office of Budget & Planning to transfer funds to the appropriate equipment category.

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**Reminders: Food and Space Purchases for Business Meetings (Pro-2 Forms)**

- Make sure all invoices for FY19 food and/or space purchases have been paid.
- If a vendor has not submitted an invoice, contact the vendor **immediately** and request the invoice.
- Check your budgets to make sure funds are in the appropriate budget category prior to submitting the payment to the Office of Accounting.
- Check your cost centers and/or internal orders to make sure payments submitted to the Office of Accounting have posted in MAGIC.

**THE MDE FACILITATOR AGREEMENT**

**The MDE Facilitator is responsible for overseeing all aspects of the evaluation process for proposals or applications submitted in response to a solicitation for services. To access the Facilitator Agreement Form, go to the Office of Procurement webpage, under the Services tab, select Contracts, Bid Checklist and Forms (<https://www.mdek12.org/procurement/bid>) and Facilitator Agreement.**

## **Office of Accounting Electronic Submission of Specific Payments**

The Office of Accounting recently set up an accounts payable email address ([accountspayable@mdek12.org](mailto:accountspayable@mdek12.org)) to submit specific invoices for payment. The payment packet should be scanned and attached to the email. Once the email is received, the Accounts Payable will print and date stamp the attached documentation for processing.

- Payments which **can be emailed** are listed below.
  - All orders entered through Shopping Cart
  - Technology and Equipment purchases ordered using a requisition
  - Reimbursements to Consultants
  - Independent Contractor work
  - Payments such as utility, phone, registrations, etc. which do not require a purchase order
  - Payments for Food and/or Space for Business Meetings

**NOTE:** Payments for all invoices related to a Purchase Order can be submitted electronically.

- **DO NOT EMAIL** the following invoice payments to the Office of Accounting:
  - Subsidies, Loans, & Grants (SLG), including grants procured by the Office of Procurement
  - Contract Workers

**IMPORTANT:** For purchase order-related payments, make sure the signature stamp approval is completed in its entirety. Some offices are submitting invoices with incomplete signature stamp approval.

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### **Procurement Deadlines:**

- **FY19 contract packets less than \$5,000 with an end date of June 30, 2019:**
  - Due to Procurement no later than: **May 1, 2019**
  - Contracts must be **reviewed and approved** by Procurement by **May 15, 2019**
  - Final signatures must be obtained by June 1, 2019
- **FY20 contract packets less than \$5,000:**
  - Due to Procurement no later than: **May 1, 2019**
  - Normal Procurement Processing
  - Contract Begins – July 1, 2019

Please see [Bid Checklist and Forms](#) on Procurement's website for documents required for submission of contracts and solicitations.

### **Changes to Procurement Timeline for Submission of Contracts for June 2019 SBE**

- Due to Procurement no later than: **May 1, 2019**
- Must be **approved** by the COO no later than: **May 21, 2019**
- SBE Meeting – June 13, 2019

### **REPORT FRAUD, WASTE, AND ABUSE:**

To report suspected fraudulent activity, go to the MDE Home webpage and select the Report Fraud, Waste, and Abuse link (<https://compliance.mdek12.org/Fraud/>).