COMPLIANCE UPDATES AND USEFUL TIPS

CULTIVATING A CULTURE OF COMPLIANCE

Monthly updates from the MDE Office of Compliance

MARCH 2021

IN THIS ISSUE:

- **Fiscal Planning Webinar – March 2, 2021**   ● **Tips for Contract Management**
- **Open Purchase Orders and Invoice Payments**

This month's *Compliance Updates* includes registration information for the mandatory Fiscal Planning Webinar, procurement deadlines, tips for contract management, and end-of-year processing of open purchase orders and invoices.

This month's *Compliance Updates* provides technology tips for working at home, procurement procedures during office closure, tips for contract management, and end-of-year processing of open purchase orders and invoices.

Mandatory Webinar Training: "Fiscal Planning: An Operational Overview"

A mandatory webinar training will be held at 10:00 a.m. on Tuesday, March 2, 2021, for MDE employees who serve in roles such as supervisors, managers, program staff, accounting contacts, budget contacts, requisitioners, shopping cart contacts, procurement contacts, and the back-up staff for employees in those roles. The purpose of this training is to provide operational best practices to prevent a huge lapse of funds and a rush to procure equipment, instructional aids/supplies, contracts, grants, etc. at fiscal year-end. Additional information will be coming soon.

Please register for Fiscal Planning: An Operational Overview scheduled for March 2, 2021, 10:00 AM CST at:

> https://attendee.gotowebinar.com/register/8341317833588605967

After registering, you will receive a confirmation email containing information about joining the webinar.

Reminders from the Office of Procurement

The Office of Procurement FY2021 and FY2022 contract due dates are listed below for your convenience.

- FY2022 contract renewals **$5,000 - $75,000 effective July 1, 2021** should be submitted to the Procurement Office by **April 7, 2021** for timely approval.

- FY2021 contracts less than **$5,000** should be submitted to the Office of Procurement by **April 15, 2021** for a contract approval on or before **May 15, 2021**.

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/)

Program Office Contract Management

Helpful Tips for Successful Contract Management

- For independent contractors, if services will continue into the next fiscal year, the PO **must be de-obligated** by the end of the current fiscal year in order to release ALL unused funds from the PO and return those funds to the contract.
- Send a purchase order request to the Office of Procurement to obligate the funds in the new fiscal year to balance out the contract.
- If the funds are not de-obligated by the end of the current fiscal year, MAGIC **will not allow** a PO to be opened to encumber funds for that vendor in the new fiscal year, as funds will still be tied to the PO that was not de-obligated.
  - The vendor would have to be paid without a purchase order in the new fiscal year, and the payment will result in a **purchasing violation**.
  - The Department Chief will receive a purchasing violation notification.
- For contract workers, if services will continue into the next fiscal year, the Office of Procurement must be notified of the amount of unused funds from the contract management spreadsheet that will be needed for the renewal in order to release ALL unused funds in SPAHRS for the renewal.
- Prior to the approval of payments, verify that work was performed satisfactorily.
- Track balances closely to prevent overpayments and contractual violations.
- Maintain documentation of services provided during the terms of the contract, especially any problems with contract deliverables.
- Evaluate the contract worker's performance at the end of the contract period.

Open Purchase Orders and Invoice Payments

OPEN PURCHASE ORDERS

It is extremely important that ALL open purchase orders are monitored closely as year-end approaches. Listed below are some helpful tips to ensure open purchase orders are closed properly.

- Review the balances of all open purchase orders (POs).
  - Use T-Code ME2N in MAGIC to view a PO report by PO Number.
  - View the "Z2b.Inv.$$" column of the report for the amount remaining on the PO.
- If there is a balance on the PO after all invoices are received and all payments are made, the PO **must be de-obligated** prior to the end of the current fiscal year, June 30, 2021, to return unused funds to the budget.
- **PRIOR** to de-obligating a PO, make sure there are no outstanding invoices to be paid.

INVOICE PAYMENTS

Several transactions, including but not limited to contracts, grants, open purchase orders, food for meetings, and rental space approvals, require the submission of an invoice for payment. Listed below are a few reminders regarding invoice payments.

- Invoices **must not** exceed the approved amount of a PO.
- ALL invoices must be verified for completion of services or delivery of goods **PRIOR TO** authorizing the payment.
- **ALL** invoices for goods and services MUST BE PAID **immediately** following verification.