

State of Alabama



Department of Finance
Office of the Comptroller
Montgomery, Alabama 36130-2602

TO: Agency Accounting Contacts

DATE: June 17, 2016

SUBJECT: IMPORTANT INFORMATION – Green Slips

Please forward to all staff in your organization who process transactions. A year ago, I sent out a e-mail (forwarded below) to all agencies regarding some of the issues and problems my staff see on agency payment documents to help avoid green slips. We realize green slips slow the process. It has been made clear that no one likes to get a green slip. We do not like to write them, however, they serve an important purpose. Sometimes they are written and a simple explanation clears up the issue. Sometimes there are coding errors that need or must be corrected. It appears some agencies may be unclear regarding the function of the Comptroller's Office. We have received comments from various agencies regarding this that brings me to my next point.

This office is governed by Code of Alabama (Code) and Fiscal Policy Procedures (FP & P) Manual requirements. It is the duty and job of my staff to:

Section 41-4-50 (4)

“To preaudit and determine the correctness and legality of every claim and account submitted for the issuance of a warrant and to determine that funds have been appropriated and allotted and are then available in the State Treasury for the payment of such claim or account before any warrant on the State Treasury shall be issued ...” (emphasis added)

No one in this office wants to write more green slips. However, to fulfill our legal and required duties we must ensure transactions comply with the Code and those policies set forth by the Finance Director and Governor.

There are many reasons for green slips. The top reasons are:

1. Information (data) does not match (ex: date, invoice number, vendor name and address, etc.) This also includes documents that have been altered by white out, handwritten, typewriter or sticker changes.
2. Documentation is not complete – not on proper form, missing signatures, receipts, invoices, etc. An adding machine tape is not a receipt.
3. Coding error – the chart of accounts is located on our website. Check back periodically for updates.
4. Proper signature authority – All agencies must have Signature Authority on file at the Comptroller's Office. In the STAARS system, the staff member with the final approval at the agency level must have this authority.
5. Not clear what the transaction is for – periodically it is required for my staff to ask questions to determine the validity of a transaction
6. Legal question – determining if the transaction is even allowable (ex: promotional items, bottled water, commute miles, etc.)
7. STAARS errors – these are errors that our office has no control over. The agency should contact the STAARS help desk for assistance.

If there is ever a question about an agency green slip, please contact the staff member that issued it. If my staff has further questions, they will first go to the Accounts Payable Supervisor, Lindsay Bryant, for assistance. If further guidance is necessary, Ms. Bryant will handle up the chain of command. Also, please remember, when green slipped documents are resubmitted in STAARS, you should also notify the A/P staff member that it has been returned for processing.

To date this in FY 16 over 460,000 disbursement transactions and tens of thousands of other transactions have been processed. A small number and percent of these transactions were green slipped. Our goal is to process all transactions properly submitted and documented as timely as possible.

Several agencies have inquired about a revised FP & P manual. Many processes have changed, but current policies established prior to STAARS have not changed with the exception of those that have been sent out through memorandum. FP & P manual and all memorandums can be found on the Comptroller's web-site at www.comptroller.alabama.gov. The Finance Department is in the process of working on a substantial revision to all affected chapters in the FP & P manual. I do not have a date when this revision will be released. I hope this explains our position and our responsibilities to you.

Sincerely,

Tom White

From: White, Tom

Sent: Tuesday, June 2, 2015 9:28 AM

To: Comptroller - All <Comptroller-All@Comptroller.alabama.gov>

Cc: Baxter, Kathleen <Kathleen.Baxter@finance.alabama.gov>

Subject: IMPORTANT INFORMATION: Green Slips, Vendor File Name and Address, IRS 1099, Travel Report Payroll Vendor Name and Address

TO: Agency Accounting Contacts

Please make all affected staff in your organization aware of this important information.

Comptroller Policy and Position On Vendor Names and Addresses:

This office does not want to delay payments to vendors, however, we have issues when a vendor invoice name and address does not match the vendor name and address in the vendor file. The issue is a correct vendor name and address, not just a FEIN number and monetary amount. A vendor should invoice using the name associated with the FEIN number that corresponds to the name and address they want payment made to. If that vendor name and address does not exist in the vendor file, it should be updated.

We do not approve payments to vendor names and addresses on invoices that have obviously been **altered including labels or hand written changes**. This office requires all agencies to issue vouchers payable to the original vendor name and remittance address on the invoice. This ensures that the warrant is payable to the original name and address on the invoice. The approved base 00 vendor number and address on the State vendor file ensures acceptable IRS 1099 reporting.

This is good business practice, policy and internal control. When the warrant is issued and the agency takes custody, the agency can mail the payment to whatever address they determine is appropriate.

Vendor Name and Address File Clean-up/Conversion Issues:

Before the clean-up process began there were over 281,000 vendors including multiple suffixes. Vendor count now is under 148,000. This clean-up/correction process is crucial before STAARS vendor file is loaded this summer.

To be IRS 1099 compliant, W-9 Headquarters information must be:

1. Loaded in STAARS as the Headquarters account
2. The 00 suffix
3. Legal name, not a Doing Business As (DBA) name
4. Physical location mailing address, not a PO Box
5. PO Box or other alternate remittance address information can be added on the next available suffixes

IRS 1099 Reporting Issues:

1. Comptroller's Office issues 1099's based on the 00 suffix.
2. If this address is not correct or valid, IRS will issue a "B" Notice to the State.
3. The State has 30 days to solicit the corrected name/TIN data and respond to the notice. All "B" Notices require all vendor suffixes belonging to the vendor be put on hold until an updated W-9 is received by this office. If the State receives a 2nd "B" Notice, the vendor must submit a Form 147C that must be obtained directly from IRS.

4. A DBA can be added to any available suffix after the 00 suffix on line 1 to match remittance information on vendor invoices.

Payroll Vendor Name and Address for Travel Reports:

Employees must fill out their travel forms with the **Full name and address** that matches their payroll file name. The current payroll system name and address can be found on the employee's eMAP W-2, unless updated recently. This will ensure payment voucher information matches the travel form and avoids mistaken identities. Also, if the employee home base is different than the payroll system address (ex. PO Box), make a notation in the bottom left hand corner of the In-State Travel Form. Example notation format reads as follows: "Home Base is City, State" (ex. Home Base is Prattville, AL). The notation can be computer generated, a label, or hand written. This will ensure accuracy with the name and address as well as help reduce Green Slips because the Home base information was not present.

Contact Branden Kelley or Jamie Jackson if you have any questions or need additional information on these processes.

Sincerely,

Tom White

Thomas L. White, Jr., CPA
State Comptroller

Alabama Department of Finance
Office of the State Comptroller - RSA Union
100 North Union Street, Suite 220
Montgomery, Alabama 36104
Telephone: 334-242-7050
Fax: 334-242-2440
tom.white@comptroller.alabama.gov

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom they are addressed. If you are not the intended recipient of this message be advised that dissemination, forwarding, printing or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please notify the sender by return e-mail and destroy all versions - electronic, paper or otherwise. This e-mail account is the property of the State of Alabama and is intended solely for use in State business.