



STATE OF ALABAMA BOARD OF ADJUSTMENT

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YVONNE TRAFFORD
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JOY SIMPSON
CLAIMS CLERK

May 25, 2018

MEMORANDUM

To: State Agency Heads

CC: Chief Fiscal Officers
General Counsels

RE: Board of Adjustment Claims for Prior Fiscal Year Payments

The number of Board of Adjustment claims each year, seeking approval to make prior fiscal year payments, continues to increase. Most of these claims are uncontested by the agency, with the agency requesting the authority to pay the claim in full. A large number of such claims are filed by state employees for reimbursement of travel and per diem, that the agency acknowledges is due.

A pattern of prior fiscal year claims may indicate a disregard for Fiscal Policies and Procedures. Frequent claims by employees for travel and per diem payments may indicate that an agency does not have, or does not enforce, policies and procedures which require requests for reimbursement to be filed by set deadlines. The Board may set such claims for hearing and may require agency managers to appear at hearings, or it may refer claims to the Department of Examiners of Public Accounts for further review.

An agency can avoid the cost and administrative burden of the Board of Adjustment claims process by following the Fiscal Policies and Procedures Manual. In the event where a Board of Adjustment claim is unavoidable, agencies should carefully review and adhere to the attached excerpt from the Rules of Board of Adjustment, (Rule 27) which addresses prior fiscal year invoice claims. A complete copy of the Rules can be found at www.bdadj.alabama.gov.

To prevent delays in the payment of Board of Adjustment Orders, the agency should work with the vendor to assure that (1) all contact information shown on the claim form matches the information in STAARS for that vendor, or (2) the agency should advise the vendor of the method for adding a new address into STAARS, as Orders for payment issued by BOA will reference the vendor information as submitted by the vendor on the vendor's claim form. The BOA will amend the Order only if a Joint Motion to Amend the Order is executed by the parties.

Please contact the Board of Adjustment staff at 334-242-7175 if you have questions.

27. Prior Fiscal Year Invoices

(a) Vendor claims for payment for goods or services for which payment has been denied by the Respondent Agency because the invoice or statement was not processed for payment in the current fiscal year are strictly scrutinized by the Board to determine if there has been compliance with the State's Fiscal Policies and Procedures. Consents for prior fiscal year invoices must include a detailed explanation by the Respondent Agency of why the claim was not paid through normal accounting processes.

(b) Supporting documentation for each claim must include submittal of contract, purchase order, telephone authorization or letter of emergency authorization.

(c) Claims that do not appear to be compliant with the State's purchasing laws may be deferred. Claims may be referred to the Department of Examiners of Public Accounts for further attention. No further action, hearing or disposition shall be taken by the Board on any claim deferred until submission of a responsive report from the Examiners of Public Accounts.

(d) Consents for prior fiscal year invoice claims must include a detailed explanation by the Respondent Agency, of why the claim was not paid through normal accounting processes. Documentation must also be submitted with the consent showing an attempt to pay through normal processes. This may be a document provided from the Respondent Agency's accounting division, the Comptroller, or a STAARS generated document indicating that there is no way to pay the claim other than the filing of a Board of Adjustment claim.

Consents that do not include the required explanation and documentation will be considered non-compliant. The Board may set non-compliant Consents for hearing or refer them to an Appointed Hearing Officer in accord with Rule 20.

(e) Each hearing on non-compliant Consents shall require attendance and testimony of the agency's chief accountant or its senior fiscal officer or such other designated person responsible for fiscal matters.

(f) It is the responsibility of the Agency or Department submitting a Consent to document that the claiming vendor received written instructions that all vendors are obligated to provide agencies and departments with timely and accurate billing. Likewise, it is the responsibility of the vendor to document with its claim that it has timely submitted invoices to the agency that accurately detail its charges and demand for payment.

History: Rule 27 Repealed and Replaced 5-22-17; effective 5-22-17.