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## MEMORANDUM

TO: Agency Accounting Contacts

FROM: Kathleen D. Baxter  
State Comptroller 

DATE: March 28, 2024

RE: Updates to Fiscal Policy and Procedures Manual

An updated version of the State of Alabama's Fiscal Policy and Procedures Manual has been posted to the Comptroller's Office website ([www.comptroller.alabama.gov](http://www.comptroller.alabama.gov)). This is an extensive update specifically to Chapters 4 & 5, due to the changes in the procurement law, Chapter 6, due to changes in the travel law, and Chapter 8, due to GASB updates for recognizing Leases. We are providing an attachment that is a redline version of the FPPM, as well as a version that only highlights the major changes that could affect processing. Below are some of the highlighted areas to pay special attention to, but further details on these subjects can be found in their respective sections of the FPPM.

### Chapter 4 Purchasing:

- **4-1 Authority and Responsibility**
  - Agencies must have the authority to make specific purchases before beginning the procurement process.
- **4-2 The Purchasing Process**
  - This section has been updated to reflect the Alabama Buys system.
- **4-4 Classification of Purchases**
  - The dollar threshold for agency authority purchases has increased from \$1,000 to \$5,000.
- **4-5 Purchasing Requirements**
  - Due to changes in the procurement law, the bid limit has increased from \$15,000 to \$25,000.
  - Other significant changes have been made due to the new procurement law.

### Chapter 5 Contracts:

- **5-2 Statutory/Approval Requirements**
  - Updates to the requirements for the Governor's approval of contracts and Emergency Contracts.

- **5-3 Methods of Procurement and Types of Contracts**
  - The Code of Alabama references have been updated due to the new procurement law.
- **5-6 Administration of Professional Service Contracts**
  - Updates have been made due to the procurement law and professional service contracts must now be submitted to the Chief Procurement Officer instead of the Comptroller's Office.

**Chapter 6 Expenditures and Disbursements:**

- **6-2 Flow of Document Processing**
  - This section has been updated to include processes regarding prior year payments.
- **6-5 Payment Types**
  - F. Payment for Reimbursement of Travel Expenses
    - 1. Per Diem Reimbursement – In State Travel
    - 2. Actual and Necessary Expense Reimbursement – In State or Out of State Travel
  - O. Employee Related Expenses
  - P. PCard and Travel Card Expenses
  - Q. Promotional Items

**Chapter 8 General Accounting:**

- **8-4 Leases and Direct Financing Arrangements**
  - Updates to leases have been made due to GASB Statement 87.
    - One of the changes includes referencing a Debt ID on all payment documents.

Please distribute this information to those individuals in your agency who use the manual. Direct any questions or comments as follows:

Chapters 4 & 5, Purchasing and Contracts

– Keri Wright at [keri.wright@purchasing.alabama.gov](mailto:keri.wright@purchasing.alabama.gov) or 334-353-2129

Chapter 6, Expenditures and Disbursements

– Accounts Payable at [ap@comptroller.alabama.gov](mailto:ap@comptroller.alabama.gov) or 334-242-4444

Chapter 8, General Accounting

– Rick Thomas at [rick.thomas@comptroller.alabama.gov](mailto:rick.thomas@comptroller.alabama.gov) or 334-353-1612

KDB/lbs

Attachments: 2024 FPPM\_Major Updates, 2024 FPPM\_Redline Version