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MEMORANDUM

TO: All Agency Accounting Staff

FROM: Kathleen D. Baxter
State Comptroller

DATE: August 3, 2026

SUBJECT: Updated Prior Year Payment (PYP) Process – Act 2023-500

The Office of the State Comptroller has implemented a new workflow in STAARS to improve the efficiency of processing prior year payment requests under Act 2023-500. This updated process eliminates the need for agencies to email prior year payment documentation to the Comptroller's Office for approval before entering the payment request.

Effective October 1, 2026 (Fiscal Year 2027), agencies should follow the process below when requesting payment for prior year expenses under Act 2023-500:

1. Complete the Agency Claim for Prior Year Payment form. The form must be signed by either the Agency Director or the Chief Financial Officer (CFO).

2. Create the payment request in STAARS using the appropriate Prior Year Payment (PYP) document code (such as GAXPYP1, GAXTPYP1, ITAPYP, etc.). Continue to use the PRC type document (PRCPYP) if the invoice references an open prior year purchase order. If the purchase order is closed, use the GAX type document (GAXPYP1).

3. Attach the signed Agency Claim for Prior Year Payment form, vendor invoice, and any other applicable documentation to the STAARS payment document. The Document Description field on the Header tab must reference "Act 2023-500."

4. Once submitted, the STAARS workflow will automatically route the payment request to the State Comptroller and State Finance Director for approval.

5. After approvals have been applied, the document will automatically workflow to the Accounts Payable Division in the Comptroller's Office for audit and final processing.

Please note: Agencies should no longer email the claim form and vendor invoice to the Comptroller's Office for approval. All approvals will now be completed through the STAARS workflow. All prior year payment requests that are submitted by September 30, 2026, will be processed using the old process. If the request is returned, communication will be provided on whether to continue with the old process or to use the new process.

This new process reduces manual handling, provides greater visibility into the approval status, and expedites the processing of prior year payment requests.

If you have any questions regarding this process, please contact the Comptroller's Office Accounts Payable Hotline at (334) 242-4444 or email ap@comptroller.alabama.gov.

KDB/jdj