

# ALERT! ALERT! ALERT!

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## ALERT #135

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart *alb*  
State Controller

DATE: November 9, 2000

SUBJECT: *Use of IT Transactions - REVISED*  
*Contract Improvement Team*  
*New Form Available on the Internet*  
*Encumbering Commitments Over \$3,000 to be Paid on the Diners*  
*Group Event Card*  
*Fraud Reporting Hotline on the Web*

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### ***Use of IT Transactions - REVISED***

A review of recent payment voucher (PV) transactions in COFRS has disclosed several agencies using the PV transaction to pay other agencies. Please remind your A/P staff that payments to agencies must be made using an IT transaction with the exception of payments to higher education and business taxes paid to the Department of Revenue **and payments of unemployment insurance premiums to the Department of Labor and Employment.** Higher education is exempt as they do not use COFRS as their primary payment medium. This is important for cash management and financial reporting. If you have questions about the requirements to use IT's please contact your field accounting specialist.

### ***Contract Improvement Team***

The Colorado Contract Improvement Team (CCIT) meets quarterly, on the third Wednesday of the months of November, February, May and August, to conduct training, distribute information concerning the state contract processing, and to discuss issues related to state contracts. Shortly after the 1st of the months listed above, the Contract User's Resource for Excellence (CURE) is published by the State Controller's Office. The CURE is available on our website at <http://www.sco.state.co.us/cure/cure.htm> and included in each issue of the CURE is the time, place and agenda for the CCIT meeting. Please inform members of your staff that are involved in any area of state contracting of both the CCIT meetings and the availability of the CURE. To be added to the CURE e-mail distribution group, contact Kevin Cruise at [kevin.cruise@state.co.us](mailto:kevin.cruise@state.co.us) or give him a call at 303-866-2127.

### ***New Form Available on the Internet***

The "Record of Authorized Signatures for Manual Warrants" form is now available on the web at: [www.sco.state.co.us/forms/manualwarrant.pdf](http://www.sco.state.co.us/forms/manualwarrant.pdf)



***Encumbering Commitments Over \$3,000 to be Paid on the Diners Group Event Card***

The Diners Club Group Event Card is a "ghost" card issued by Diners Club used to pay expenses through Diners Club for a specific event. It is similar to the "ghost" cards used by agencies to pay travel agents for airline travel. Cards have been issued to individuals in several agencies to pay for conference expenses. Charges on the Group Event Card are billed centrally to the State and such charges are tax exempt--See Colorado Department of Revenue FYI/Sales 63 (09/99). Cardholders are obligated to execute a contract or purchase order if the commitment exceeds \$3,000 under Fiscal Rule 2-2. The commitment document must be issued to the vendor (hotel, restaurant, etc.) not Diners Club. Further, the commitment must be encumbered (Fiscal Rule 2-10). When the payment is made to Diners Club and properly expensed, the encumbrance may be liquidated. This procedure is important not only for compliance with the Fiscal Rules but to ensure there are no "misunderstandings" with the vendor about what is expected and the amount of the obligation. To avoid "add on" charges and control the number of people ordering on the Diners Club Event Card, be sure to address the following in your commitment document:

- ♦ individual(s) authorized to incur additional charges
- ♦ cancellation provisions
- ♦ rate, units, duration
- ♦ responsibility for damages
- ♦ general state indemnification clauses, etc.

This will serve to avoid any nasty surprises and upset conference vendors (or state employees) after the event. Questions about the Event Card may be directed to Norm Wilson at 303-866-4004. Questions about the commitment documents may be directed to Phil Holtmann at 303-866-3809. Questions about the accounting may be directed to your field accounting specialist.

***Fraud Reporting Hotline on the Web***

The State Controller's Office has added a link to its website for information on the fraud reporting hotline. The hotline has demonstrated its usefulness as another means for employees and other citizens to report alleged fraudulent acts involving state agencies and institutions of higher education. The address is:

<http://www.sco.state.co.us/fraudhotline/fhotline.html>

Please contact Ron Keller at 303-866-3539 if you have any questions about the hotline.

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