



North Carolina Department of Health and Human Services Office of the Controller

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Memorandum 2010-01

To: Division/ Institution Directors
Division/ Institution Budget Officers

From: Laketha M. Miller *Laketha M. Miller*

Subject: Payment of Obligations for SFY 2009-2010

The Office of State Budget and Management issued a memorandum dated, July 1, 2009, providing guidance necessary to comply with Senate Bill 311 (Session Law 2009-215) authorizing continuing budget authority for state government operations.

One of the main areas addressed states "that state departments, institutions, and agencies may expend funds at a level not to exceed eighty-five percent (85%) of the level at which those operations were authorized in Session Law 2008-107 as amended."

In an effort to monitor and ensure that each division spends within the designated guidelines, the DHHS Office of the Controller has implemented a restricted payment plan to place all invoices keyed "on hold" until directed in writing by the divisions to release for payment. This process will require that division budget officer's daily review the "Prepayment Register Hold Report" which is located in XTND and communicate with your respective Branch Heads in General Accounting/ Financial Management, the invoices to release for payment. The invoices will be released on the day communicated and the requisition of cash will post to the Office of the State Controller's (OSC) Cash Management Control System (CMCS) the next day. Checks will only be released when all funding for the requisitions have been received and updated in CMCS. This includes the receipt and updating of federal funds and other receipts. This entire process should take no longer than three (3) days.

Also due to funding constraints, the DHHS Office of the Controller will begin, effective Monday, July 20, 2009, processing all expenditures considered to be program/benefits on Monday, Wednesday, and Friday of each week. All other expenditures will be processed for payment on Tuesday and Thursday of each week. This will allow us to better track our payments against our total availability and allow your division to prioritize payments. Also, this will better identify to OSC those expenditures considered to be State Aid, payroll, program/benefits, and /or federally funded.

This process will continue until further notice from this office stating otherwise. If you have any questions or concerns, please do not hesitate to contact me or your respective DHHS Controller's Office Branch Head in either General Accounting/Financial Management or Program/Benefit Payments.

cc: Executive Committee