



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

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Laketha M. Miller, Controller
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LOCATION:
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January 7, 2011

MEMORANDUM #2011-9

TO: Division Directors
Division Budget Officers

FROM: Laketha M. Miller

A handwritten signature in black ink that reads "Laketha M. Miller".

SUBJECT: Vendor Attachment Program

State Agencies were notified of the new Vendor Attachment Program via a joint memorandum from Department of Revenue and the Office of State Controller on July 16, 2010. The purpose of this new program is to collect unpaid taxes due North Carolina from entities that provide services to the State of North Carolina. A copy of a PowerPoint presentation presented to State Agencies on August 18-19, 2010 may be viewed at http://www.ncosc.net/programs/Vendor_Attachment_Presentation_Agencies_Final8-17-10.ppt.

While DHHS supports this program 100%, we have learned there may be certain entities that have unpaid taxes and receive payments through NCAS which are supported by federal funds where federal regulations or specific program operation policies may prohibit the withholding of funds to these entities. Any entity that is paid through NCAS with any funding source is subject to this withholding. Therefore, we are requesting that each division have program staff and contract administrators review the Vendor Attachment Program to determine if any entity paid or reimbursed by your division warrant an exception to this program and should be blocked from having their payments or reimbursements withheld and transferred to the NC Department of Revenue to satisfy any unpaid tax liability.

Following your review, please complete the attached worksheet and return it electronically to Jack Chappell of my staff (jack.chappell@dhhs.nc.gov) no later than February 7, 2011. If you have any questions, you may also contact Jack at (919) 733-0169.

LMM/jwc
Attachments

cc: DHHS Executive Committee
DHHS Office of the Controller Section Chiefs