

Department of Administrative Services - State Accounting Enterprise

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PRE-AUDIT	260.250	1 of 8	January 1, 2020
Subject	CENTRAL SERVICES APPEAL BOARD – OUTDATED INVOICES		

1. Iowa Code Section

Iowa Code Section 8A.512 states, in part, “A claim shall not be allowed by the department if appropriation or fund of certification available for paying the claim has been exhausted or proves insufficient”.

Certain claims may be paid through the Administrative Process for Approving Outdated Invoices. The criteria used to determine if an outdated invoice is payable through the administrative process is described below. When the claim does not meet the criteria, it must be submitted to the State Appeal Board for approval.

2. Administrative Process for Approving Outdated Invoices

Payment for an outdated invoice may be processed under the administrative process for approving outdated invoices if it meets the following criteria:

- a. an outdated invoice is presented for payment that is from a **previous, closed** fiscal year (FY) and is less than **5 years old**; and
- b. the amount of the reverted or carried forward state appropriation funds is sufficient to pay the outdated invoice, or the outdated invoice is paid 100% from funding sources other than state appropriation funds (federal funds, enterprise funds, other grants, etc.); and
- c. the outdated invoice is **not** for an expense that would normally be paid through state payroll systems because outdated invoices for **Education Assistance** and **Relocation** are not paid through payroll.
- d. Outdated invoices for **Education Assistance** and **Relocation Documents** must be paid through the Administrative Appeal Board process.
 - A) If an outdated invoice from a previous, closed FY is to be paid from 100% non-reverted funding sources (i.e. federal funds, state appropriation funds which carried forward, enterprise funds or grants), the following procedure is followed to process the outdated invoice using 100% non-reverted funding sources:
 - 1) Outdated invoices from a closed prior, FY that are to be paid from 100% federal funds, funds that are carried forward each year, or from other non-reverted funds, are paid from the Department’s current year funding, using the appropriate documents, GAXN, PRCN, TPN, IETN, PRCIN, JV1N. The “N” indicates the claims shall be paid from non-reverted funds. These are pre-audited by the department and sent to DAS-SAE for processing in the normal work flow.
 - 2) Outdated invoices paid under this procedure must meet the requirements of all other payments i.e. - original invoice or original claimant signature, authorized signature, appropriate supporting documentation.

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- 3) The account coding that will be used on the payment document are the identical department account coding as if the outdated invoice had been received and paid during the applicable FY.
 - 4) The Department applies their approval levels and the accounting document is work-flowed through DAS-SAE for pre-audit and application of final approval.
- B) If an outdated invoice from a previous, closed FY is to be paid from 100% reverted funding sources:
- 1) Department prepares the payment document, as any other payment document is prepared, using the appropriate document type, GAXR, PRCR, TPR, IETR, PRCIR, or JV1R. The “R” indicates the claim will be paid by reverted funds out of the appeal board funding, 0001-532-0020.
 - 2) Documents processed under this procedure must meet the requirements of all other payment documents. For example, original invoice or original claimant signature, authorized signature, appropriate supporting documentation. The account coding used on the payment document must be from the Appeal Board fund: 0001-532-0020- object. The object is the one normally used for the expense.
 - 3) Department also completes the "Appeal Board Claims- Administrative Process" form. The entire form must be completed. The information requested is for tracking purposes, and if not completed or if not completed correctly, the payment document is returned to the Department, causing delay in paying outdated invoices.
 - 4) The "Appeal Board Claims- Administrative Process" form is attached to the payment document. If the Department is attaching a single PDF file to the accounting document containing the supporting documentation, this completed form must appear as the first page within the attached supporting documentation. Otherwise, the Department may attach two PDF documents, one containing supporting documentation such as the outdated invoice, packing slips, etc., and the other PDF document containing the completed “Appeal Board Claims – Administrative Process” form.

The department on-lines the payment document using the department number as the first three digits of the document number. All department approval levels are applied and submitted to DAS-SAE-Daily Processing to be pre-audited and final approvals applied.

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- C) If the outdated invoice from a previous, closed FY is to be paid from a portion of reverted funds and a portion of other non-reverted funding sources:
- (1) The department shall process the payment using the applicable “R” document, following the guidance provided in Section 2.B of this procedure with the exception of the account coding to be used.
 - (2) Account coding: For the portion of the outdated invoice that is funded with reverted funds, the Appeal Board account coding of Fund 0001, Dept 532, Unit 0020 and the applicable object code must be used. For the portion of the outdated invoice that is funded with non-reverted funds, the account coding shall be the department’s normal account coding.

Outdated Invoices as a result of Outdated Warrants: If a warrant is issued in a closed prior budget fiscal year (BFY) and outdates in the subsequent BFY year, the original invoice becomes an outdated invoice at the time the original warrant outdates.

- a. To re-issue an Outdated Warrant that was originally funded with 100% non-reverted funding sources, the department shall process an OUTDN document as described in Procedure 270.500.
 - 1) Additionally, the department shall process a JV1N document to return the credits posted via JVA documents to Fund Equity back to the full account coding that was originally used on the initial payment which outdated. See Procedure 235.500.
 - 2) A copy of the JV1N shall be attached as supporting documentation to the OUTDN.
- b. To re-issue an Outdated Warrant that was originally funded with 100% reverted fund sources, the department shall process an OUTDR document as described in Procedure 270.500.
 - 1) The attachments shall include the completed “Appeal Board Claims – Administrative Process” form as the first page within a single PDF attachment or attached as a separate PDF file.
 - 2) The account coding to be used on the OUTDR document shall be the appeal board coding of Fund 0001, Dept 532, Unit 0020, and the object code is the one normally used for the expense.
 - 3) Since this payment is made from appeal board funds, the department is not permitted to return the credits posted via the JVA documents to Fund Equity back to the full account coding that was originally used on the initial payment which outdated.

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- c. To re-issue an Outdated Warrant that was originally funded with both non-reverted and reverted funding sources, the department shall process an OUTDR document as described in Procedure 270.500.
 - 1) The attachments shall include the completed “Appeal Board Claims – Administrative Process” form as the first page within a single PDF attachment or attached as a separate PDF file.
 - 2) The account coding to be used on the OUTDR document for the portion of the amount funded with non-reverted funding sources shall be the identical account coding that appeared on the original warrant.
 - 3) The account coding to be used on the OUTR document for the portion of the amount funded with reverted funding sources is the appeal board coding of Fund 0001, Dept 532, Unit 0020 and the object code is the one normally used for the expense.
 - 4) Additionally, the department shall process a JV1N document to return the non-reverted portion of the credits posted via JVA documents to Fund Equity back to the full account coding that was originally used on the initial payment which outdated. A copy of the JV1N shall be attached as supporting documentation to the OUTDR. See Procedure 235.500.

- d. The department shall not be permitted to return the reverted portion of the credits posted via the JVA documents to Fund Equity back to the full account coding that was originally used on the initial payment which outdated.
 - 1) Warrants paid out of the Department of Management (DOM), 532, for other departments, will be returned to the originating department for mailing, not to the State Appeal Board. The warrant register will be sent to the State Appeal Board, Department of Management.
 - 2) When processing internal documents (IETR/N, PRCIR/N JV1R/N) under this process that are paid out of the above account code, a copy of the processed document shall be included in the department’s data warehouse report in the Daily Accounting Packet when the department enters one additional line on the document that includes their department account coding and zero dollars. If this additional line is not online, the department will not receive a copy of the processed document.
 - 3) Documents processed through this administrative process must be reported to the State Appeal Board on a monthly basis. Using the “R” and “N” documents eliminates the need for the departments to send these reports. The State Appeal Board is able to retrieve the report from data warehouse.

- e. Below are instructions for completing the “Appeal Board Claims-Administrative Process document. **All fields must be completed by the department.** Forms that do not have all of

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the fields completed will be returned to the department for completion, which may delay payment.

- 1) **Department Contact Person** - Name of person in state department who can be contacted with questions.
- 2) **FY of Expense** - Fiscal year in which the expense was incurred. This is the year that should have been charged if the invoice was processed timely. One FY per form.
- 3) **Document Type** - Select the document type being submitted to the DAS-SAE-Daily Processing. Different document types cannot be put together.
- 4) **To Be Paid By** - Check the source of funding that will be used to pay for the expense. If the original source of funding is fund 0001, and the Department is checked, an explanation must be included on the form. (E.g. federal funds, carried forward, etc.)
- 5) **Document Number** - Enter the document number of the claim being submitted to the DAS-SAE-Daily Processing. The first three characters of the document number must be the I/3 department number.
- 6) **Vendor Name** - Enter the vendor name.
- 7) **Final Date of Service/ Goods Received** - The final date service was completed or performed, or date goods were received by the department.
- 8) **Fund** - Enter the fund number from which the expense would have been paid if the invoice were not outdated.
- 9) **Dept.** - Enter the department number from which the expense would have been paid if the invoice was not outdated.
- 10) **Unit** - Enter the unit number from which the expense would have been paid if the invoice was not outdated.
- 11) **Appr** - Enter the appropriation number (if applicable) from which the expense would have been paid if the invoice was not outdated.
- 12) **Amount** - Enter the dollar amount of the invoice that is outdated.

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3. Regular Appeal Board Process

Claims for outdated invoices that are not eligible to be processed under the Administrative Process must be processed through the regular Appeal Board process. Below is an explanation of this process:

a. GAX, TP, and PRCs are approved through the following process:

- 1) The vendor shall complete the "STATE APPEAL BOARD CLAIM FORM AND AFFIDAVIT" form with supporting documentation attached. The form is located on the DOM website at <https://dom.iowa.gov/state-appeal-board> or may be requested by calling the State Appeal Board (515) 281-5512 at the DOM. The form is to be mailed to the State Appeal Board, Department of Management, State Capitol Building, Room 14, Des Moines, IA 50319.
- 2) Claims are date stamped and numbered. A general claim report is created by the DOM and sent to the department for validation. Claims over \$5,000 may be requested to have a detailed explanation in a memo or letter, signed by authorized department personnel, in addition to the general claim report. This is to supply members with the necessary facts and to avoid deferring the claim.
- 3) The department makes a recommendation to approve, deny, or dismiss the claim on the GENERAL CLAIM REPORT. If approved, the department forwards the original claim and the GENERAL CLAIM REPORT to the DAS-SAE-Daily Processing. If denied or dismissed, the department returns the original to the Attorney General's Office. The copy is retained by the department in all cases.
- 4) DAS-SAE-Daily Processing makes its recommendation, and then returns the claim to the Attorney General's Office. The Attorney General's office then reviews the claim and makes a recommendation on each for payment, denial, or dismissal.
- 5) Claims are presented to the State Appeal Board members at the next Appeal Board Meeting.
 - (a) If the Appeal Board concurs with the recommendation for denial of a claim, a letter is sent to the vendor from the Special Assistant Attorney General informing the vendor of the Appeal Board's decision and that the claim will be presented to the General Assembly at its next regular session.
 - (b) If the Appeal Board concurs with the recommendation for dismissal of a claim, a letter is sent to the vendor from the Special Assistant Attorney General informing the vendor of the Appeal Board's dismissal of the claim.

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- (c) If the Appeal Board concurs with the recommendation for approval of a claim, the Appeal Board staff review the approved claim to determine the appropriation from which the claim is to be paid. If it is determined the State agency is to make payment of the claim, a letter from the Executive Secretary of the State Appeal Board is sent to the specified department which claims are to be paid from, except for claims for back pay. The department prepares the appropriate accounting document and forwards it to the DAS-SAE-Daily Processing to issue the warrant. The department is responsible for reporting paid claims to the State Appeal Board. All claims related to back pay must be paid through the State's payroll system. See (c.) below.
 - b. If it is determined that the Appeal Board is to make payment of the claim, a letter from the Executive Secretary of the State Appeal Board is addressed to the Director of the DOM. The State Appeal Board staff prepares the appropriate accounting documents and forwards them to the DAS-SAE-Daily Processing for processing. The warrant number and date issued is entered into I/3 by Appeal Board staff. The warrants are then mailed with letters to the vendors.
 - c. Back pay claims from a prior closed year which involve general fund appropriations are always paid by the department, with the Appeal Board completing a Corrective Journal Voucher (JV1). The funds are to be transferred to the department involved in order for the department to pay it through its payroll so the appropriate deductions can be made. Staff at the State Appeal Board prepares a JV1 document to move the expenses once the employee has been paid.
- 4. Interdepartmental Claims
 - a. Interdepartmental claims from a prior closed FY shall be filed with the State Appeal Board on a regular Appeal Board claim form if they do not qualify for submission on the Administrative Process form. These claims are given an Appeal Board number that is preceded by the letter "D" (for departmental). This will identify the claim as being an interdepartmental claim.
 - b. Interdepartmental claims filed with the State Appeal Board will be resolved by the Director of the Department of Management if the claims are less than \$5,000. Claims for \$5,000 and above will be resolved under the normal Appeal Board procedures as described in "c" below.
 - c. Copies of interdepartmental claims for \$5,000 or more are forwarded to the Attorney General's office for investigation and recommendation to the Appeal Board for the Board's disposition of the claims.

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- d. Departmental claims under \$5,000 are investigated by the Department of Management staff who will then report to the Director of DOM, recommending payment or denial of payment. The report will also indicate from which appropriation the payment is to be made.
- e. Claims resolved by the Director of DOM are subject to ratification by the State Appeal Board. The DAS-SAE-Daily Processing will process claims approved by the Director of DOM.
- f. Approved interdepartmental claims shall be paid from:
 - 1) The department's current year appropriation if the claim is federal funds or any other non-reverted funds.
 - 2) The Appeal Board's standing unlimited appropriation (0001-532-0020-objt) if it is a prior closed FY and from the general fund (0001).