



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

To: Department/Agency Directors and Authorized Agents

From: Stephen P. McAllister, CPA
Executive Director/Budget Officer

Re: Approval Requirements and Authorized Agent Responsibilities.

Date: May 23, 2000

COMM-FS
MAY 23 2000

Section 35-3-1 (b) of the Rhode Island General Laws stipulates that the Budget Officer "may approve or disapprove requisitions for equipment, materials and supplies." Based upon this legislation, policies for the review of various documents have been established by the Budget Officer in the past and periodically updated and/or revised based upon changing circumstances. Although certain approval requirements have been in place for several years, there has been some confusion in recent months regarding these requirements. The goal of this correspondence is to clarify and update approval requirements, which should improve the flow and speed of processing many documents.

The updated approval requirements are delineated on the attached table (Attachment #1). We have attempted to include all potential documents or transaction types within this table, so everyone will have one consistent reference tool. If there are any items that are not included on this table that staff at your agency are still unclear about approval requirements for, please contact Thomas A. Mullaney in the Budget Office at 222-6414 or by email at tomm@budget.state.ri.us. We will reissue this document as needed to keep it as up to date as possible. Also included is a brief explanation as to the routing of various documents (Attachment #2).

It is the responsibility of each Agency's Director and authorized agents to assure that these requirements are adhered to. Designation as an authorized agent carries with it certain responsibilities the implications of which you should understand. Section 35-3-24 of the Rhode Island General Laws outlines various responsibilities for persons authorized to obligate state funds. A copy of this legislation has been included in this package for your review (Attachment #3). In summary, this legislation stipulates that as an authorized agent you are responsible for ensuring that financial obligations and expenditures you authorize do not exceed amounts appropriated for that purpose and that funds are spent in accordance with the laws of the State of Rhode Island. In addition, Purchasing law and regulations require Directors and authorized agents to attest to the fact that purchasing procedures have been properly followed.

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Failure to adhere to applicable laws and regulations will carry with it varying levels of consequences including loss of authorized agent status, loss of delegated purchasing authority, and stricter review requirements.

If you have any questions regarding the approval requirements, please contact your assigned Budget Analyst.

Cc: Robert L. Carl, Jr., Director of Administration
✓ Peter Corr, Associate Director, Purchasing Agent
Lawrence C. Franklin, Jr., State Controller

Attachments

Attachment 1

State of Rhode Island and Providence Plantations
Department of Administration
Approval Requirements
(Effective May 23, 2000)

Applicable to All Sources of Funds (General Revenue, Federal, Restricted, etc.)

Category	Dollar Level equal to or greater than	Approval Required
Fund Types*		
Bond Funds - no encumbrance	All	Budget Officer
Bond Funds - against encumbrance	All	None
RI Capital Plan Fund - no encumbrance	All	Budget Officer
RI Capital Plan Fund - against encumbrance	All	None
Certificates of Participation Trustee Payments	All	Budget Officer
Highway Fund (5400's) - no encumbrance	All	Budget Officer
Highway Fund (5400's) - against encumbrance	All	None
Custodial Accounts (4900's)	All	Budget Officer
Contingency Fund	All	Governor/Director of Administration/Budget Officer
Document Type		
Payment Vouchers - no encumbrance	\$5,000	Budget Officer
Payment Vouchers - against encumbrance	All	None
Direct Purchase Order	\$5,000	Budget Officer (pre-approval required)
<i>(includes purchases from Master Price Agreements and Agency Pricing Agreements)</i>		
Purchase Requisition (OP-2)	\$5,000	Budget Officer
Miscellaneous Encumbrance (A-45)	\$5,000	Budget Officer
Increases to PO's or ME's	\$5,000	Budget Officer
Transfer of PO or ME to a new fiscal year	\$5,000	Budget Officer
Notice of Change/Contract Addendum (DOT)	\$5,000	Budget Officer
Adjustment Vouchers (A-40)	\$5,000	Budget Officer
<i>(amount based on the total of one side of the adjustment voucher)</i>		
Internal Transfer Voucher (A-12T)	\$5,000	Budget Officer
Appropriation Allotment (B4)	All	Budget Officer
Correctional Industries Work Order Request	\$5,000	Budget Officer (pre-approval required)
New Account/Cooperative Agreement Form	All	Budget Officer
Request for Legal Counsel (RLC)	All	Director of Admin./Budget Officer/Governor's Office
Type of Expenditure		
Contracted Employee (BOC 261-269)	All	Budget Officer (pre-approval required)
Contracted Firms/Individuals (BOC 261-269)	\$5,000	Budget Officer
Vehicle Purchases	All	Budget Officer/Director of Administration/State Fleet
Lease or Lease/Purchase Arrangements	All	Budget Officer
Computer Systems/Services/Technology RFP's	All	Chief Information Officer (pre-approval required)
<i>* this does not include the purchase of individual computers, etc. from State MPA's</i>		
Phone Systems/RFP's	All	Chief Information Officer (pre-approval required)
Postage Machines/RFP's for Postal Services	All	Chief Information Officer (pre-approval required)
Type of Expenditure - Exceptions		
State Aid/Education Aid Payments	All	None
Record Center Monthly Billings	All	None
Workers' Compensation Monthly Billings	All	None
Utility Payments (Electricity, Gas, etc.)	All	None
Utility Rotary Fund Billings	All	None
Centrex Monthly Billings	All	None
Office of Information Technology Monthly Billings	All	None
Office of Training & Development Monthly Billings	All	None
Treasury Investment Vouchers	All	None
Pharmacy (MHRH) Monthly Billings	All	None
EDS Payments	All	None

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Department of Administration
Approval Requirements
(Effective May 23, 2000)

Applicable to All Sources of Funds (General Revenue, Federal, Restricted, etc.)

Category	Dollar Level <i>equal to or greater than</i>	Approval Required
Type of Expenditure - Exceptions (cont.)		
Refund Vouchers	All	None
Federal Grants to Local Communities/Non-Profits	All	None
Special Payrolls (Controller's List)	All	None
- Agency Exemptions		
Governor's Office (2010)	All	None
Lieutenant Governor's Office (2025)	All	None
Secretary of State (2100)	All	None -
Attorney General (2200)	All	None
General Treasurer (2300)	All	None
Legislature (2600)	All	None
Judicial (2700)	All	None
Higher Education (except bond funds)	All	None
Lottery (9700)	All	None

* The more stringent approvals required for the specific fund types listed in the "Fund Types" section supersede the approval requirements under the "Document Type" and "Type of Expenditure" sections.

Attachment 2

State of Rhode Island and Providence Plantations Department of Administration Routing of Paperwork (Effective May 23, 2000)

Basic Routing of Documents

Documents requiring Budget Office approval should be forwarded by the respective agency to the Budget Office. The Budget Office will be responsible for forwarding documents to the appropriate office for any additional approvals or for final processing. Exceptions to this basic routing process are listed below.

Items Requiring Prior Budget Office Approval

Any documents requiring Budget Office approval prior to being processed, such as purchases against MPA's or APA's, or purchases from Correctional Industries, should be forwarded to the Budget Office with instructions on how the agency wants the item processed if approved. For example, if an agency wants to pick up a DPO upon approval, a contact name and phone number should be provided.

When final payment is being made, the Agency should attach a copy of the pre-approved document to the payment document and forward to Controller's for processing. Any documents requiring pre-approval sent to the Controller's Office without documentation of Budget Office approval will be sent to the Budget Office for review.

Contingency Fund Payments

Payments from the Contingency fund are prepared by the Governor's Office. Upon approval of the Governor, these documents should be forwarded to the Director of Administration for approval. The Director's Office will then forward these documents to the Budget Office, which will deliver them to the Controller's Office for final processing.

Request for Legal Counsel

All requests for legal counsel are coordinated through the Director of Administration's office. The Request for Legal Counsel form, the Miscellaneous Encumbrance, and the agreement with the attorney should be forwarded as a complete package to the Director's office. All required approvals will be obtained by this office prior to delivery to the Controller's Office.

Vehicle Purchases

Vehicles will be purchased as part of two major bids per year. Specific dates for each bid and additional information regarding vehicle requests will be provided to agencies under separate cover. Purchase requisitions for vehicles should be forwarded to the Budget Office. The Budget Office will forward to the Director of Administration's office for approval and then to the Office of Purchases. Upon the close of the submission period for a particular bid, the Office of Purchases will forward all vehicle requisitions to the State Fleet office for review of alternative fuel vehicle requirements.

Computer Systems/Services/Technology-Related RFP's

Major plans for new or upgraded computer systems or technology-related requests for proposal require the approval of the State's Chief Information Officer. Agencies should contact the CIO early in the development of any specifications or RFP to assure consistency with overall state technology plans and policies and to avoid any delays in later stages of submission. Purchase requisitions for technology purchases should be forwarded to the CIO for approval prior to submission to the Budget Office.

Phone Systems/RFP's

Purchase of new or upgraded phone systems requires the approval of the State's Chief Information Officer. Agencies should contact the Chief Information Officer early in the development of any specifications for new phone systems for assistance and to avoid delays in later stages of submission. Purchase requisitions for phone systems should be forwarded to the CIO for approval prior to submission to the Budget Office.

Postage Meters/RFP's for Postal Services

Purchase of new or renewal of existing postage meters requires the approval of the Chief Information Officer. Purchase requisitions or other requests for this type of equipment should be forwarded to CIO for approval prior to submission to the Budget Office.

TITLE 35

Public Finance

CHAPTER 35-3

State Budget

SECTION 35-3-24

- **§ 35-3-24 Control of state spending.** – (a) All department and agency heads and their employees are responsible for ensuring that financial obligations and expenditures for which they have responsibility do not exceed amounts appropriated and are spent in accordance with state laws.

(b) Persons with the authority to obligate the state contractually for goods and services shall be designated in writing by department and agency heads.

(c) In the event of an obligation, encumbrance, or expenditure in excess of amounts appropriated, the department or agency head with oversight responsibility shall make a written determination of the amount and the cause of the overobligation or overexpenditure, the person(s) responsible, and corrective actions taken to prevent reoccurrence. The report will be filed within thirty (30) days of the discovery of the overobligation or overexpenditure with the budget officer, the controller, the auditor general, and the chairpersons of the house and senate finance committees.

(d) A state employee who has knowingly and willingly encumbered, obligated, or authorized the expenditure of state funds in excess of amounts appropriated for those purposes or entered into contracts without proper authorization may be placed on disciplinary suspension without pay for up to thirty (30) days in accordance with § 36-4-36.

(e) A state employee who knowingly, willfully, and repeatedly authorizes actions resulting in encumbrances or spending of state funds in excess of amounts appropriated may be fined up to one thousand dollars (\$1,000) and/or terminated from employment.