



# JOINT CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

NO.: 11-12-OMB/DPP	ORIGINATING AGENCIES: OFFICE OF MANAGEMENT AND BUDGET (OMB) DIVISION OF PURCHASE AND PROPERTY (DPP)	PAGE 1 OF 3
EFFECTIVE DATE: 02-28-11	EXPIRATION DATE: INDEFINITE	SUPERSEDES: 08-22-OMB/DPP
SUBJECT: MORATORIUM ON PROCUREMENT OF NON-IT (INFORMATION TECHNOLOGY) EQUIPMENT		
ATTENTION: ALL DIRECTORS OF ADMINISTRATION, AGENCY PROCUREMENT MANAGERS, AND CHIEF FISCAL OFFICERS		
FOR INFORMATION CONTACT: JANELLE MONIN, OMB JIGNASA DESAI-MCCLEARY, DIRECTOR, DPP		PHONE: (609) 984-7332 (609) 292-4886

This circular supersedes 08-22-OMB/DPP and includes substantive changes. Changes include, but are not limited to:

- While the moratorium remains in effect for all non-IT equipment purchases of \$2,500 or more, the threshold that requires formal OMB approval has been increased from the existing \$2,500 to \$36,000;
- Narrowing of scope to exclude furniture and carpeting, which are covered by a different circular (11-13-DPMC) issued by the Division of Property Management and Construction;
- Implementation of a post-audit review by OMB of purchases valued at \$36,000 or less to ensure compliance;
- New central email location at OMB for forwarding exemption justifications, and new requirement to include the requisition number and NJCFS account number in that submission.

Except as otherwise exempted in this circular, the purchase of all equipment that is not related to information technology is subject to the review and prior approval by OMB, as noted below.

#### I. PURPOSE:

- A. The non-IT equipment covered by this circular includes, but is not limited to, the procurement of vehicles as well as items for the following uses: vehicular use, office use unrelated to computers (e.g., copiers), building maintenance, housekeeping and furnishing, landscaping, food preparation and serving, laundering and cleaning, security and communication (e.g., radio systems), medical and hospital, classroom instruction, agriculture and conservation, and scientific study. Equipment purchased for road maintenance and construction is not subject to this moratorium. Furniture and carpeting purchases are governed by a separate circular (i.e., 11-13-DPMC) and therefore are exempt from this circular.

- B. A related circular, 11-11-OMB/OIT, "Moratorium on Procurements of Information Technology (IT) Hardware, Software, and Related Services," governs the purchase of information technology equipment and should be consulted, as necessary. To clarify, all telecommunications devices for data communications (e.g., blackberries) as well as office equipment related to computer use such as printers, faxes, and scanners, are defined as information technology equipment and thus are subject to circular 11-11-OMB/OIT. See attached list for additional details.
- C. This circular includes Line of Credit (LOC) acquisitions for new purchases (see circular 04-09-ADM/OMB - Line of Credit Program), as well as the issuance of 3<sup>rd</sup> party grants or agreements that contain equipment that is planned for ultimate use by the issuing department. Specifically, there shall be no further equipment purchases from those grants or agreements that are planned for the department's use without the approval of OMB.

## II. POLICY:

- A. All equipment purchased for more than \$2,500 is subject to this moratorium until further notice, however only purchases of \$36,000 or more will require prior OMB approval. Exceptions may be granted if:
  - 1. Dedicated or non-state funds provide significant or sole funding for the initiative and there is a compelling reason for the purchase.
  - 2. Denial of an equipment purchase would significantly increase future costs.
  - 3. The purchase is related to a program that is mandated by the federal government, state law, or a court order.
  - 4. Equipment is demonstrated as failing and, without approval, mission critical business functions would be impacted or halted.
  - 5. Equipment is needed for emergency maintenance or repairs.

For equipment valued between \$2,500 and \$36,000, the department may invoke one of the exceptions noted above; however, that action is subject to a post-audit review by OMB (See section II. E. of this circular for additional details). For equipment valued at \$36,000 or more, the department must seek prior approval of any exception from OMB before purchasing the item.

- B. This circular applies to all contract, non-contract, and Direct Purchase Authority (DPA) purchases as well as Intergovernmental payments.
- C. All efforts will be made to process most common requests within three weeks from the time of receipt at OMB.
- D. Like purchases should be aggregated. Agencies should not subdivide common purchases simply to avoid the review threshold established herein.
- E. To verify compliance, OMB periodically will conduct a post audit review of purchases valued at \$36,000 or less. If an agency is found to be in violation of the letter or spirit of this circular (exhibiting, for instance, a series of questionable purchases of discretionary items), they will return to the original \$2,500 threshold limit for future purchases. In addition, the Office of the State Comptroller may conduct periodic audits to ensure that agencies are operating within the guidelines and boundaries set by this circular.

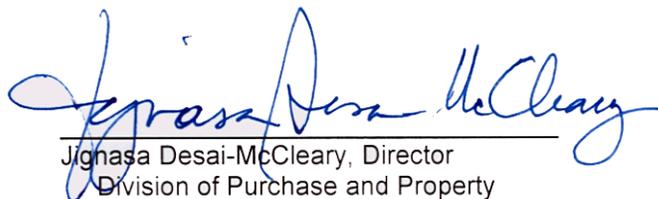
**III. EXEMPTION PROCESS:**

All exemption requests outlined above, including cases that are not specifically identified, should be forwarded to OMB for review and approval. Specifically, if the estimated value of a planned purchase exceeds \$36,000, agencies must email justification to [equipment@sp3.treas.state.nj.us](mailto:equipment@sp3.treas.state.nj.us) when funds are pre-encumbered (i.e., requisitioned). Specifically, the pertinent requisition number should be noted in the subject line of the agency email and the associated NJCFS account number(s) should be mentioned in the body of the submission. OMB will respond by email to the agency, approving or disapproving the request. Exemptions include, but are not limited to, the use of State appropriations for Direct State Services, Capital, Grants in Aid, and State Aid. If the purchase will be made solely with federal funds, the attached certification form should be completed and returned to [equipment@sp3.treas.state.nj.us](mailto:equipment@sp3.treas.state.nj.us). This will streamline procurements enabled solely by federal funds. OMB will acknowledge receipt of a fully completed certification form upon which time the procurement may occur.

With the exception of DPA and excluding purchases made by departments exercising separate purchase authority or purchase orders issued through term contracts, the Purchase Bureau will be responsible to ensure that no non-IT equipment purchases as defined herein are processed in the MACS-E system without the prior approval of OMB.



Charlene M. Holzbaaur, Director  
Office of Management and Budget



Jighasa Desai-McCleary, Director  
Division of Purchase and Property

# Agency Certification for Expenditure of Federal Funds for Equipment

Department: \_\_\_\_\_ Request Date: \_\_\_\_\_

Division: \_\_\_\_\_ Total Amount: \_\_\_\_\_

Federal Grant Name: \_\_\_\_\_

Federal Accounts to Be Charged:

Account #: \_\_\_\_\_ Amount: \_\_\_\_\_

PO Number: \_\_\_\_\_

Brief description of items to be purchased (attach separate sheet if necessary): \_\_\_\_\_

**AGENCY FISCAL OFFICER CERTIFICATION:**

The undersigned fiscal officer certifies the following statements to be true and correct:

- The Federal granting agency has approved this procurement.
- These funds must be used exclusively for this purpose and cannot be used to reduce State expenditures in any other program or activity.
- No State matching funds are required as a condition of this federal grant.
- This purchase must be completed by (date) \_\_\_\_\_ or else (check all that apply):
  - The Federal grant period will end and funds will no longer be available.
  - A vendor discount of \$\_\_\_\_\_ will be lost.
  - The manufacturer's production order deadline will be missed.
  - Other (attach separate sheet if needed) \_\_\_\_\_
- There will be life safety, health, or other serious consequences if this purchase is not completed (attach separate sheet to describe consequences).

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Date: \_\_\_\_\_

**Equipment Freeze**  
**OMB Circulars Defining “Telecommunications/Office Equipment”**

**I. Information Technology Equipment (Circular 11-11-OMB/OIT)**

Telecommunications

Blackberries  
Personal Digital Assistant (PDA)  
Telephones (cell phones and landline systems)  
Pagers  
Data lines  
Networking Systems

Computer-Related Office Equipment

Printers  
Fax machines  
Scanners  
Imaging and Records Management Systems (See Circular 07-11-OMB)  
Computerized Projection Systems

**II. Non-Information Technology Equipment (11-12-OMB/DPP)**

General Office Equipment

Copiers  
Calculators/Adding Machines  
Video Teleconferencing Systems  
Furniture  
Radio Systems