

# NJCFS Newsletter

OFFICE OF MANAGEMENT AND BUDGET

CHARLENE M. HOLZBAUR, DIRECTOR

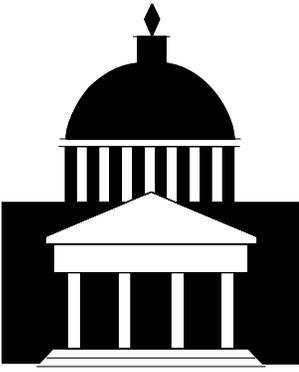
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## CHANGING THE VENDOR LOCATION CODE IN MACS-E ON VENDOR PAYMENTS



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The vendor location code is the last two (2) characters of the vendor ID and denotes a specific location or address of the vendor. Vendors may have multiple location codes. The vendor location code can be changed at the time of payment in both the NJCFS and MACS-E.

In NJCFS, any valid location code can be entered when the voucher transaction is entered on-line. The encumbrance or order in NJCFS that was previously established for the payment has no location code recorded, thus permitting the entry of an automated clearinghouse (ACH) or remittance address location code when the payment is processed.

This capability works differently in MACS-E. The MACS-E contract screen (KONT) identifies the full vendor ID (11 digits, including location code) that will be used when a specific contract number is referenced. This is the default vendor ID that is used on orders and payments referencing this contract.

At the point of encumbering or ordering via MACS-E, the vendor ID (including location code) from KONT defaults to the OFST screen. The vendor ID cannot be changed at this point, yet upon interface to NJCFS, the MACS-E order is recorded without a vendor location code. When the vendor's invoice is being paid, the vendor ID can be changed on the OINV screen of MACS-E to match the required remittance address of the vendor or to create an ACH disbursement.

At the point of payment, the vendor ID on the OPAY screen is inferred from the OINV screen. When the payment is interfaced to NJCFS, the payment will use the location code of the OPAY screen.

Questions regarding this topic should be directed to John Burrows at (609) 984-5217 or [John.Burrows@treas.state.nj.us](mailto:John.Burrows@treas.state.nj.us).



## NEW PROMPT PAYMENT RULES FOR CONSTRUCTION CONTRACTORS

New legislation (P.L. 2006, c. 96) was recently passed regarding the prompt payment of construction contractors doing business with state agencies. This legislation took effect September 1, 2006 and applies to all construction contracts entered into since that date.

NJCFS will process prompt payment interest for construction contractors differently than all other vendors. For all other vendors, the original prompt payment terms will still be in effect.

### *Note the following regarding construction contractor prompt payment:*

- The prompt payment period (length of time allowed for payment to be made prior to the accumulation of interest) for these vendors is 30 days.
- The prompt payment interest rate for these vendors is the prime rate plus 1%.
- The construction contractor vendors are uniquely identified on NJCFS/MACS-E by the vendor type "CC" which represents CONSTRUCTION CONTRACTOR. The "CC" is not listed on the W9 form as a vendor type, but will be entered on the VEND record by the OMB Vendor Control unit based on the vendor's response to a new activity type ("C = Construction Service and/or Materials"), which has been added to the Vendor Data section of the W9.
- **Vendor Location Code 87 is reserved for Construction Contractors who receive payment via check. Location Code 88 is reserved for Construction Contractors who receive payment via ACH. Only these location codes should be used when paying for construction-related services or materials.** The other location codes for a vendor should be used when paying for any other services or materials or for construction contracts awarded prior to 9/1/06.

- Any vendors referenced on construction contracts since September 1, 2006 must be established on NJCFS/MACS-E with the proper location code and vendor type. Please advise Harry Fisher of any such vendor at [Harry.Fisher@treas.state.nj.us](mailto:Harry.Fisher@treas.state.nj.us).

- NJCFS prompt payment processing procedures are still in effect. Construction contractor interest will be automatically calculated by the system using the proper rate and time period. The interest amount will be displayed on the Prompt Payment Interest Table (PPIN) for 14 days until a payment voucher is generated. Agencies may still place the generated interest on hold when warranted. Contact Cheryl Schwartz at (609) 292-4820 or [Cheryl.Schwartz@treas.state.nj.us](mailto:Cheryl.Schwartz@treas.state.nj.us) if more information on these procedures is required.

- P. L. 2006, c. 96 offers many valuable definitions regarding what the terms "contractor", "improve", "billing", etc. mean pertaining to this new law. It also defines what constitutes the receipt of a certified billing, which should be used to determine the Prompt Payment Start Date. See the text of P.L. 2006, c. 96 at :

<http://www.njleg.state.nj.us/2006/Bills/PL06/96.HTM>.



## PRIOR YEAR LIABILITIES AND CLAIM CITATIONS

The Fiscal Year 2007 Appropriations Act contains provisions authorizing the Director, OMB to process payments to liquidate prior year liabilities from current year appropriations and to pay claims. When these types of transactions are submitted to OMB for approval, they should include the following citation information:

**Prior Year Liabilities - P.L. 2006, Chapter 45, Section 31**

**Claims - P.L. 2006, Chapter 45, Section 38**

The accounting transactions used to make these payments **should not be fully approved** by the agency. OMB will apply the final level of approval to the transaction when the Director, OMB authorizes payment. Documentation packages for these transactions should be submitted to Michael W. Henry, OMB - Accounting Bureau, 33 West State Street - 5th Floor, P.O. Box 221, Trenton, NJ 08625. Questions related to these payments should be directed to Michael Henry at (609) 292-0051 or Michael.Henry@treas.state.nj.us.

## PAYMENT OF LAWSUIT AWARDS AND SETTLEMENTS

Treasury Circular Letter 06-10-OMB, Payment of Lawsuit Awards and Settlements, explains the criteria to be used in determining whether an award or settlement is taxable. It also notes the object codes to be used.

Object code 5811, Lawsuit Awards and Settlements-Taxable, is to be used when the payment is taxable and made directly to the claimant. Object code 5812, Lawsuit Awards and Settlement Fees-Taxable, is to be used when the payment is taxable and made to the claimant's attorney. Object code 5813, Lawsuit Awards and Settlements-Non-Taxable, is to be used when the payment is non-taxable and made to the claimant or the attorney.

Any questions regarding the circular letter may be directed to Michael Henry at (609) 292-0051 or Michael.Henry@treas.state.nj.us.

## CIRCULAR LETTERS

A complete repository of all valid circular letters is on the State of New Jersey's web site located at the following address:

<http://www.nj.gov/infobank/circular/circindx.htm>.

Recently issued Fiscal Year 2007 Circular Letters are:

**07-02-OMB/BRM**

**Departmental Responsibility and Procedure for Loss to Real or Personal Property or other State Assets**

**07-03-DPP**

**State Contract Manager**

**07-04-OMB**

**Form 1099 Issuance**

**07-05-OMB**

**Grant Agreements - Agency Contracts**

**07-06-DPP/OIT**

**Procurement of Information Technology (IT)  
Hardware, Software...**

**07-07-OMB**

**"Employee Benefit" Reimbursement Rates**

Any questions regarding the Circular Letter Index by Year and Classification may be directed to Cynthia L. Quig at (609) 292-5358 or Cynthia.Quig@treas.state.nj.us.

## ENHANCED GRANT MONITORING

OMB has announced a new grant monitoring initiative that will focus on State funds that are used to match federal grants. Beginning with Fiscal Year 2007, agencies will have at least one General Fund account to fund the State match of federal grants. The G/P indicator within this account will denote a "G," linking the account to the federal grant, and the IPB object will be "5."

Once the accounts have been established for the State match, and agencies are establishing the grant award on NJCFNS, a transfer of appropriation (TA) will be processed, moving authority from an account that the agency chooses to this State match account.

The purpose of this effort is to ensure that funds intended for State match are not used for other purposes.

Please contact William Maughan at (609) 292-5004 or William.Maughan@treas.state.nj.us, if you would like to discuss this new requirement in more detail. To establish the State match account, contact Patricia Fatatis at (609) 984-5207 or Lynn Armano at (609) 984-7794.

## STAFF ASSIGNMENTS IN ACCOUNTING OPERATIONS

**Patricia Leahey – Supervisor 292-8938**

### BUDGETARY CONTROL SECTION

The Budgetary Control Section is responsible for assisting agencies with questions regarding budgetary transactions (TA's, AP's and RB's) and revenue issues (CR's., IN's and RM's). This section also handles travel and continuing monitoring issues.

**Patricia Fatatis – Section Supervisor, Budgetary Control/Travel 984-5207**

Michael Bell – 292-4826

Agriculture  
Community Affairs  
Environmental Protection  
Labor & Workforce Development  
Travel

Gina Francione – 984-9308

Banking & Insurance  
Education  
Health & Senior Services  
Judiciary  
Public Advocate  
Treasury  
Interdepartmental  
Travel Event Codes

Judy Chen – 292-8964

Technical Support

**Lynn Armano – Section Supervisor, Budgetary Control/Training 984-7794**

Barbara Glasser – 292-8606

Chief Executive  
Children & Families  
Corrections  
Human Services  
Law & Public Safety

Legislature  
Military & Veterans Affairs  
Personnel  
State  
Transportation

Linda Campbell – 292-6391

Technical Support  
NJCFS Training Coordinator

Questions regarding reserves, reverts, budget authority options, and carry forward issues should be directed to Patricia Fatatis or Lynn Armano.

### GRANTS ANALYSIS SECTION

The Grants Analysis Section is responsible for assisting agencies with grant-related budgetary and accounting issues and processing FM's.

**Bill Maughan – Section Supervisor, Grants Analysis 292-5004**

Health & Senior Services  
Children & Families  
Human Services

Debbie Beck – 292-8721

Environmental Protection  
Law & Public Safety  
Transportation  
Treasury

Consuelo Inovero – 633-8192

Agriculture  
Education  
Judiciary  
Military & Veterans Affairs

Jackie Rawls – 292-3549

Community Affairs  
Corrections  
Labor & Workforce Development  
Public Advocate  
State

NJCFS ACCOUNTING PERIODS FISCAL YEAR 2007

	JUL-06	AUG-06	SEP-06	OCT-06	NOV-06	DEC-06	JAN-07	FEB-07	MAR-07	APR-07	MAY-07	JUN-07	JUL-07
PERIOD 01-07	7/1/06 - 8/7/06												
PERIOD 02-07	8/1/06 - 9/8/06												
PERIOD 03-07	9/1/06 - 10/6/06												
PERIOD 04-07	10/1/06 - 11/8/06												
PERIOD 05-07	11/1/06 - 12/7/06												
PERIOD 06-07	12/1/06 - 1/8/07												
PERIOD 07-07	1/1/07 - 2/7/07												
PERIOD 08-07	2/1/07 - 3/7/07												
PERIOD 09-07	3/1/07 - 4/9/07												
PERIOD 10-07	4/1/07 - 5/7/07												
PERIOD 11-07	5/1/07 - 6/7/07												
PERIOD 12-07	6/1/07 - 7/31/07												