

Accounting Bulletin

Bulletin No. A-472
June 20, 2000

Cash Advance Reimbursements

Purpose To advise agencies of

- Removal of limitations on salary advances issued to employees.
- Upcoming changes that will eliminate check reimbursements to agency cash advance accounts by implementing electronic payments (direct deposit) for reimbursements.

Salary Advances Effective immediately, salary advances from Petty Cash advance accounts may be issued

- To all employees.
- Up to **full** amount of the estimated 'net' salary due the employee.
- Note: This procedure replaces the qualifications and dollar limits in the Controls and Special Procedures Manual, Volume XI, Section 4.0310, Page 2, Paragraph b.

Electronic Payment Process

In the Fall of 2000 (exact date to be announced), OSC will suspend the production of checks to reimburse agency cash advance accounts and **ALL** reimbursements will be made by electronic means directly to the agency's cash advance bank account.

When implemented, agencies will be required to prepare the reimbursement vouchers as usual, **but leave the Route Code field blank.**

- Note: Agencies should continue using Route Code 'A' to have reimbursement checks returned to them until implementation of electronic payments.

Agencies generating reimbursement vouchers from automated systems should plan to stop using Route Code 'A' on these vouchers this Fall.

The electronic payment process will generate payments to advance accounts based on the batch Originating Agency and Payee ID used on the Special Charge Voucher. Therefore, agencies should make certain that advance account sub-ledgers are associated with the agency that originates the Special Charge Voucher.

E-Mail Notification

Agencies may choose to receive e-mail notification of electronic payments.

- To select this option, enter the agency's official e-mail address on the attached [Electronic Payments Enrollment Form](#).

The e-mail

- Is sent before payments are credited to the advance account,

- giving agencies advance notification of the payment.
- Includes a link to OSC's secure payment remittance web site.

The web site

- Will provide remittance information for electronic payments (and checks).
- Requires the agency to enter a 14 digit number consisting of six leading zeroes, the three digit advance account code, and the five digit agency code that the subledger is associated with.
- Provides information on prior electronic payments to the advance account if the 14 digit Payee ID number of the advance account (explained above) and a valid electronic payment trace number are entered.
- Can be accessed directly using the web site address:

<https://www2.osc.state.ny.us/pay>

If e-mail is chosen, payment reference information provided to the agency by the bank will indicate "NY ACH PYMT" and "TRACE (number)". A trace number is a serial number for the ACH transaction, similar to a check number.

If an agency chooses not to receive e-mail notification, they need to arrange for notification with their financial institution.

Cash Advances Cash Advances are issued to State agencies pursuant to §115 of the State Finance Law.

Advances may be issued for petty cash purchases up to \$250, employee travel advances, special (emergency-type) payroll purposes and other purposes approved by the Office of the State Comptroller.

Separate bank accounts *are not* required to segregate petty cash, travel, or other types of advances issued from State appropriations. Consolidation of checking accounts is *preferred* as outlined in NYS Accounting System User Procedure Manual, Volume XI - Controls and Special Procedures, Section 4.0220. **Agencies are strongly encouraged to review their cash advance account funding needs and wherever possible consolidate their individual accounts into a single consolidated bank account.**

Advance funds in excess of agency needs should be returned to the State Treasury and refunded to the appropriation from which such advance funds were drawn. (See NYS Accounting System User Procedure Manual, Volume XI - Controls and Special Procedures, Section 4.0270.)

Reimbursements All cash advance accounts are reimbursed for appropriate, allowable and documented State expenses.

Batch types VRN and VRT are to be used for all cash advance reimbursement vouchers.

- Travel (VRT) and non-travel (VRN) reimbursements must be batched separately regardless of whether advances are consolidated into one account.
- Use of batch types VRN and VRT for all other types of voucher

payments is discouraged.

Reimbursements to cash advance accounts are required at least once a month and made after Special Charge Vouchers are audited and released for payment.

Salary advances will continue to be recouped using the procedures outlined in Volume XI - Controls and Special Procedures, Section 4.0310.

Agency Action Attached to this bulletin is an [enrollment form](#) to register the bank account information OSC needs to make direct deposits.

Part 1 of this form **must** be completed by the custodian of the cash advance account.

Part 2 of this form is the Financial Institution Certification. A representative of the financial institution holding the advance account **must** complete Part 2 and forward the form to the address shown at the bottom of the Electronic Payment enrollment form.

For internal control purposes, the completed **original** enrollment form **must** be sent to OSC **by the Financial Institution**. Forms sent from any other source will be rejected.

Enrollment forms, one for each bank account, should be completed immediately and delivered to your financial institution. **OSC must receive the completed enrollment form by July 28, 2000.**

Additional Information OSC will update these instructions once a firm implementation date is available.

Questions Direct questions on this bulletin to John Brownell at (518) 474-4018.