COMPLIANCE UPDATES AND USEFUL TIPS
CULTIVATING A CULTURE OF COMPLIANCE

Monthly updates from the MDE Office of Compliance

APRIL 2019

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This month's *Compliance Updates* features year-end processing reminders, changes to SBE Meeting dates, upcoming Procurement deadline dates, and a friendly reminder to report any suspected fraud, waste, and abuse.

Procurement Deadlines:

➢ **Any new intent to award packet for PPRB must have a start date of July 10, 2019:**

- ❑ Contract award packet due to Procurement no later than: April 1, 2019
- ❑ Must be approved by the COO no later than: April 16, 2019
- ❑ SBE Meeting – May 9, 2019
- ❑ OPSCR 30-day Review – June 2019
- ❑ PPRB Meeting – July 10, 2019

➢ **FY20 contract renewals $5,000 - $50,000:**
- ❑ Due to Procurement no later than: April 15, 2019
- ❑ Normal Procurement Processing
- ❑ Contract Begins – July 1, 2019

➢ **FY19 contract packets less than $5,000 with an end date of June 30, 2019:**
- ❑ Due to Procurement no later than: May 1, 2019
- ❑ Contracts must be reviewed and approved by Procurement by May 15, 2019
- ❑ Final signatures must be obtained by June 1, 2019

➢ **FY20 contract packets less than $5,000:**
- ❑ Due to Procurement no later than: May 1, 2019
- ❑ Normal Procurement Processing
- ❑ Contract Begins – July 1, 2019

Please see Bid Checklist and Forms on Procurement's website for documents required for submission of contracts and solicitations.

Changes to Procurement Timeline for Submission of Contracts for June 2019 SBE

- ❑ Due to Procurement no later than: May 1, 2019
- ❑ Must be approved by the COO no later than: May 21, 2019
- ❑ SBE Meeting – June 13, 2019

REMINDER: REVISED STATE BOARD OF EDUCATION MEETING DATES
❑ **April 11, 2019** ❑ **May 9, 2019** ❑ **June 13, 2019**

Purchase Orders and Invoices: End-of-Year Processing

PURCHASE ORDERS

REMINDER: Before a request to purchase equipment can be submitted to the Office of Procurement, a budget revision form MUST BE SUBMITTED to the Office of Budget & Planning to transfer funds to the appropriate Equipment category. Failure to do so will delay the purchasing process.

At the end of the fiscal year, open purchase orders can be a problem if not managed properly. It is extremely important that ALL open purchase orders are monitored closely as year-end approaches. Listed below are some helpful tips.

- Request a purchase order (PO) prior to receiving goods or services from a vendor. Purchase orders requested after vendor invoices are received is a **purchasing violation**.
- Review the balances of all open purchase orders (POs).
    - Use T-Code ME2N in MAGIC to view a PO report by PO Number.
    - View the "Z2b.Inv.$$" column of the report for the current amount remaining on the PO.
    - **PRIOR** to de-obligating a PO, make sure there are no outstanding invoices to be paid.
    - Make sure the PO balance reflects all invoice payments made to-date and coming due.
- If there is a balance on the PO after all invoices are received and all payments are made, the PO **must be de-obligated** prior to the end of the current fiscal year, June 30, 2019, to return unused funds to the budget.
- For contracts, if services will continue into the next fiscal year, the PO **must be de-obligated** by the end of the current fiscal year to release ALL unused funds from the PO.
- Send a purchase order request to the Office of Procurement to obligate the funds in the new fiscal year to balance out the contract.
- If the funds are not de-obligated by the end of the current fiscal year, MAGIC **will not allow** a PO to be opened to encumber funds for that vendor in the new fiscal year, as funds will still be tied to the PO that was not de-obligated.
    - The vendor would have to be paid without a purchase order in the new fiscal year, and the payment will result in a **purchasing violation**.
    - The Department Chief will receive a purchasing violation notification from the Chief of Operations, and a copy of the notification will be sent to the State Superintendent.

INVOICES

Several transactions, including but not limited to contracts, grants, open purchase orders, food for meetings, and rental space approvals, require the submission of an invoice for payment. Listed below are a few reminders regarding invoice payments.

- Check for any outstanding invoices that have not been paid and submit for payment.
- **ALL** invoices for goods and services MUST BE PAID **immediately**.
- Receiving invoices for goods and/or services that require a PO but do not have one is a **purchasing violation**.
- Invoices which exceed the approved amount of a PO is a **purchasing violation**.

REPORT FRAUD, WASTE, AND ABUSE:

To report suspected fraudulent activity, go to the MDE Home webpage and select the Report Fraud, Waste, and Abuse link (https://compliance.mdek12.org/Fraud/).