

**NEW YORK STATE**  
**LEGISLATIVE BILL DRAFTING COMMISSION**  
**ACCOUNTING POLICIES AND PROCEDURES**

**JUNE 2014**

**INTRODUCTION:** The New York State Governmental Accountability, Audit and Internal Control Act of 1999 requires the Legislature to establish and maintain by rule, guidelines for a system of internal controls; and to establish and maintain a system of internal controls and a program of internal control review. This document outlines, in writing, the accounting policies and procedures which have been placed into effect by the Commission and shall become the basis for the Internal Accounting Control System as required by the 1999 Act.

**PURPOSE:** The purpose of this document is to formalize the accounting procedures currently in effect and pertaining to the financial transactions carried out by the Commission. This document shall become the official policy for all accounting and financial transactions in the Commission relating but not limited to personal expenditures, non-personal expenditures and revenue.

**POLICY AND PROCEDURES DEFINED:**

**1. PERSONAL EXPENDITURES**

**A. PERSONNEL APPOINTMENTS**

All personnel assignments to the Commission payroll will be accomplished using employee appointment sheets (see enclosure 1). All appointment sheets will identify the type of assignment, employment start date, starting salary, current employee address, and assigned supervisor. Employee appointment sheets must be signed by both Commissioners before the employee is placed on the payroll.

**B. CHANGES OF EMPLOYMENT STATUS**

No changes of employment status of any employee will be effected without the joint approval of both Commissioners. Employment status is defined but not limited to change of titles, salary changes, reassignments, promotions, and terminations. All changes of employment status will be effected through the use of Change of Employment Status Forms signed by both Commissioners.

**C. PAYROLL PREPARATION**

The Commission payroll will be submitted to the Office of the State Comptroller on a bi-weekly



basis. The payroll will consist of a certification letter listing the payroll changes accompanied by the NYS Comptroller Payroll Certification Form. All payroll changes are made directly on the Comptroller's PAYSERV system. Entries are made by the Director of Administration and/or the HR/Payroll Officer. During the legislative session an additional payroll, for session employees will be submitted concurrently with the annual payroll. The Commissioners are the only persons within the Commission authorized to sign payroll authorization documents.

#### **D. CHECK DISTRIBUTION**

Payroll checks will be picked up at the Office of the State Comptroller on the first working day of the pay week. The Director of Administration or her designated representative is authorized to pick up checks. Checks will be sorted and distributed by the HR/Payroll Officer or a designated representative. Requests for early pick up of paychecks by employees will be in writing from the appropriate Department Head to the Director of Administration or HR/Payroll Officer. No checks will be mailed unless specifically requested by the employee. In no event are paychecks to be cashed prior to the date posted on the check. Paychecks are delivered to or picked up by Department Heads on payday. Each Department Head or representative must sign for their batch of checks. Paychecks not deliverable by the Department Heads are to be returned to the Finance Office prior to the close of business on payday.

#### **E. ACCOUNTABILITY CONTROL**

The Director of Administration will reconcile the OSC Salary Register against the Excel payroll spreadsheet, and initial the Salary Register to document that this procedure has been completed. The Commission maintains a daily online attendance system for all employees.

### **2. NON-PERSONAL EXPENDITURES**

#### **A. PURCHASE ORDERS/CITICARD**

All material acquisitions made by the Commission shall be accomplished through the use of purchase orders or the Citi Purchasing Card. The Principal Fiscal Assistant to the Director of Administration shall be responsible for the accountability and issuance of Purchase Orders subject to the approval of the Director. Purchase Orders are prepared using the HR Financial Application on the mainframe. They are numbered one up consecutively and a log shall be maintained containing the date of issuance, vendor, materials ordered, and total cost. Both Commissioners must sign all Purchase Orders in excess of \$1000.00. The Director of Administration is authorized to sign all others. The Citi Purchasing Card may be used in lieu of a purchase order for purchases up to \$1000.00. The Director of Administration may use the purchasing card for purchases over \$1000.00 with approval from the Commissioners. Card holders must receive prior approval from their department head and the Director of Administration before making a purchase.

After the Purchase Orders have been signed by the appropriate authority, the original copy



shall be mailed, if necessary, to the vendor. A copy is given to the Principal Fiscal Assistant to be matched up with an invoice.

Blanket Purchase Orders are also created covering the fiscal year for recurring charges that are not under contract (National Grid, Verizon etc.).

## **B. ACCOUNTS PAYABLE**

As a rule, the Commission shall process invoices on a weekly basis. Invoices may be processed at any time if expediency is necessary. Under the prompt payment law, all invoices are to be paid within 30 days of receipt. Before invoices are prepared for payment and processing by the Office of the State Comptroller, the following internal control procedures are to be adhered to:

Upon receipt of all invoices the Office Manager shall date stamp each as received. After all invoices have been date stamped they shall be forwarded to the Director for review and approval for payment. The Director will add coding to the invoice to be used on the voucher. The Director shall then forward all approved invoices to the Fiscal staff for payment processing.

Invoices are matched up with a PO and vouchers are prepared using the HR Financial Application on the mainframe.

Vouchers and invoices are then forwarded to the individual responsible for the receipt of the goods; the employees initials the voucher or the invoice signifying that the goods were actually received and were in acceptable condition or working order. Vouchers are then forwarded to the Director of Administration for review and signature. The Director approves vouchers in the HR Financial Application and then creates a coversheet to be signed by the Commissioners listing all vouchers ready for payment.

The signed coversheet and vouchers are returned to the Principal Fiscal Assistant for direct entry into the Statewide Financial System (SFS). The vouchers will then appear in the Directors work list in SFS to be reviewed and approved for payment. Before approving vouchers for payment, the Director enters all vouchers in a disbursement spreadsheet sorted by year, fund and account code. This spreadsheet is used to verify that all vouchers were entered into SFS with the correct coding and all remaining fund balances are verified. If discrepancies are found, some vouchers may be denied and sent back to the Principal Fiscal Assistant for correction. All original vouchers and backup materials are filed in the vendor file.

The Director prints out NYAP0621 Payee Listing from the SFS system on a daily basis. Both the Director and Principal Fiscal Assistant verify payments made by comparing to the vouchers listed on the coversheet. Any discrepancies are brought to the Director's attention for correction.

The Principal Fiscal Assistant uses the coversheet to make entries in the General Ledger. The ledger lists all expenditures for the fiscal year. The ledger is proved to the SFS printout NYKK0043 on a weekly basis. The Principal Fiscal Assistant initials the NYKK0043 and forwards it to the Director to be initialed.

The Director uses the coversheet to make entries in the Encumbrance Report. This report lists all current expenditures plus all money encumbered under contract, purchase orders and Citi



Purchasing Card. The Director verifies the Encumbrance Report by proving it to the NYKK0043 SFS report.

### **C. PETTY CASH**

Petty cash checks may be used for purchases not to exceed \$250.00 and for travel advances. Each petty cash check purchase must be approved and signed by the Director of Administration. In the absence of the Director, these checks may be signed by the HR/Payroll Officer. A receipt is required for all petty cash purchases.

Reimbursement to the petty cash fund shall be accomplished by entering an adjustment voucher in SFS. The funds are electronically deposited back into the petty cash account.

The Petty Cash/Travel Fund check book is to be reconciled from the bank statement, and the register kept in the Fiscal Office computer, on a monthly basis, by the Principal Fiscal Assistant and verified by the Director.

Petty Cash balances are emailed to the NYS Treasury by the 5<sup>th</sup> of each month for statewide reporting purposes.

### **D. CONTRACTS**

Contracts usually have a break-down of a payment schedule, either on an annual or continuing basis, for services or merchandise received. As with all other contracts, only the Commissioners signatures are authorized for approval of contract documents.

Subsequent to the authorized signatures by the Commissioners, Contracts will be assigned a contract number, according to subject, and forwarded to the Attorney Generals Contract Approval Office for approval if required. Four original contracts, contract encumbrance, and a cover letter signed by the Director will be forwarded to the Attorney General. Upon approval, the Attorney General will forward four copies of the contracts to the Office of the State Comptroller for approval. The Comptroller will retain one copy of the contract, verify that LBDC has encumbered the funds online in SFS covering the contract amount and forward the two remaining contracts to the Commission, stamped and approved. The Commission will then forward one copy of the contract to the vendor. All payments for those contracts must be made from the appropriate encumbered funds for that contract and so coded on the payment vouchers.

### **E. ACCOUNTS RECEIVABLE**

The Commission currently has six sources of revenue: the sale of electronic data transfer; comparative processing; the Legislative Retrieval System/Legislative Digest; the sale of Session Laws, Chapter Effective Date Service and recycled paper. Charges made for the above services will be invoiced on a monthly basis unless there was no activity during that month, in which case invoices will be generated for the first month following the inactivity only.



All revenue receipts will be processed by the Office Manager and will be handled in the following manner:

Upon receipt, the Officer Manager shall make one copy of each revenue check which will be provided to the person responsible for auditing that account. All original checks are held by the Office Manager who completes a check report using the Revenue program in Access listing the following: name, description, check date, check number, and amount. The listing is then checked by fiscal personnel to verify receipt of the check copy and posting to the account. Fiscal personnel initial the listing upon approval. The Director takes the checks to Key Bank to be deposited in the Legislative Computer Services Fund at least monthly. Periodically, OSC sweeps funds from the Computer Fund and moves them into the LBDC portion of the computer fund to be used for voucher processing. The Principal Fiscal Assistant enters the deposit into an excel spreadsheet (LED04099) which lists all deposits, transfers, payments and interest earned on the computer fund account. At the end of each month the LED04099 is verified against the monthly SFS printout NYGL0428. The Principal Fiscal Assistant initials the printout and forwards it to the Director for verification.

Payments made by State agencies are processed using SFS billing. The Sr Fiscal Assistant enters the billing directly into the SFS system. A spreadsheet is maintained by the Sr Fiscal Assistant listing all bills entered and an indication if they have been paid or are still outstanding. The Director check the SFS system daily and reports any revenue payments posted to the Sr Fiscal Assistant. The Sr Fiscal Assistant then logs into SFS to check the payment and apply it to the appropriate account and indicates the payment on the spreadsheet.

A receivable report is maintained by the Director of Administration. The Director logs charges and payments on a monthly basis into a spreadsheet. The spreadsheet calculates a running balance due for each type of receivable. The Director verifies charges, payments and balance due are accurate on the monthly invoices before sending out for all receivable except LRS/Digest. To verify LRS/Digest, the Director runs a DB2 Connect program which brings back all charges, payments and current balance due for all subscribers. This information is received directly from the LSAM billing system. If current balance due does not match the receivable report, the Director looks at each account to determine the problem. If a correction is needed the Sr Fiscal Assistant is notified. All payments posted on the receivable log are also reconciled with the LED040 to verify that all checks posted have been deposited. The Director also reviews the current balance due report on LRS/Digest subscribers looking for any account that is more than 60 days past due. The Director notifies the Sr Fiscal Assistant who will stamp invoices "Past Due". The Director of LRS and Administrative Counsel are also notified of past due account and will follow up with subscribers if necessary.

#### **F. TRAVEL**

No Legislative Bill Drafting employee is allowed to perform any work related travel without the written approval of both Commissioners. Upon determination that travel is necessary, the Department Heads will submit a travel request memo to the Director of Administration stating the reason for travel, destination, date, duration, and any back up material (i.e., course descriptions). The Director of Administration will then submit a travel request form memo to the Commissioners requesting authorization for such travel. This memo will include a copy of the Department Heads memo, estimated cost of travel and any comments necessary to provide a complete review of the travel requested. The signed approval of this memo authorizes the

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Director of Administration to sign all subsequent routine requests incident to the completion of such travel.

**Advance Travel Requests:** Advance travel request are to be submitted to the Director of Administration via the respective Department Head who will initial the request. The Office Manager will review and audit each request to ensure that the appropriate amount is both authorized and accountable prior to the authorized signature of the Director. Advance travel money for anything except lodging, travel and per diem is not authorized. All approved requests for advance travel money will be drawn from the LBDC advance travel/petty cash account on the signature of the Director. In his absence such checks may be signed by the HR/Payroll Officer. Travel advances will not be approved if there are outstanding payments due from previous advance payments.

**Travel Vouchers:** Travel vouchers are to be completed and submitted by the traveler within five working days of the completed travel. All travel vouchers are to be submitted via the respective Department Heads whose signature shall appear in the approval signature block. Vouchers are to be submitted with all receipts (including taxi receipts) attached. The Office of the State Comptroller will not authorize payment for any expenses not backed up with a receipt. Upon approval by the Department Head on the voucher and the Commissioners on the cover sheet, the Director of Administration will authorize payment. The voucher will be entered into the SFS for reimbursement of the travel account or to the employee.

Special arrangements for travel may be considered, on a case by case basis, when it is in the best interest of state funds. (i.e.. rental car vs. private, commercial transportation, supersaver's, etc.)

All travel reimbursement checks are returned to the Commission for distribution unless the employee has direct deposit. Reimbursement checks will be distributed attached with a memo signed by the Director stating the name of the recipient, date of travel and amount of refund and/or the amount owed by the traveler. A copy of the memo and the check will be maintained by the Fiscal Office. Subsequent requests for travel advances may not be honored if travel advance arrearages exist for previous travel.

## G. INVENTORY CONTROL

All equipment and furnishings purchased by the Commission will be inventoried using LBDC inventory stickers and recorded in the inventory spreadsheet. All new furniture and equipment will be tagged and inventoried upon arrival and the appropriate records updated. No furniture is to be moved or relocated without the permission of the Commissioners or the Director of Administration. Assignment of furniture to a department does not give that department authority to reassign that furniture to another department or dispose of any furniture or equipment. Such approval shall be the Commissioners and/or the Director of Administration. All disposal of furniture shall be handled in accordance with NYS procedures through the Office of General Services.

Commission supplies are distributed using the HR Inventory application on the mainframe. When a request is made an email is sent to the Director and the Sr Supply Clerk. The Sr Supply Clerk fills the order and marks it filled in the application. The application deducts the order from



the on hand balance. The requestor indicates receipt of the order in the application. The Director enters all restock items in the application. Periodically a physical inventory is done to verify the online totals.

## **H. FIXED ASSET REPORTING**

All equipment owned or leased by the Commission with a useful life of two years or more and with a value of \$40,000.00 or more must be reported to the Office of General Services, Bureau of Fixed Assets, in accordance with their fixed asset reporting procedures. The Senior Fiscal Assistant shall be responsible for completing the fixed assets forms online. These forms shall identify the location of each piece of equipment, the value, controlling agency, useful life expectancy, manufacturer, if it is under contract for payment, date of purchase, and serial number. OGS will periodically provide the Commission with print-outs of assets to verify. This list will be updated every two years. All transactions (i.e., disposal through sale etc.) are to be reported to OGS on an as occurring basis using the fixed asset retirement form.

## **I. FINANCIAL REPORTING PROCEDURES**

1. Encumbrance Report: This report is submitted to the Commissioners and will list all encumbrances made during each two week period. Encumbrances will include; all POs issued and released; all affected contracts; petty cash disbursements; payroll; etc. Any money obligated in any form will be reported. Reports will be numbered one up starting with the first pay period in the fiscal year.

2. Annual LRS Report: This report is submitted to the Commissioners. The LRS Report will be issued annually in January of each year and will report total expenses for salaries, advertising, printing, relay software, equipment and support, personal computers, rental space, telephone, education and conference fees, LRS sales tax, supplies, travel, and revenue.

3. Statement of Disbursements: 5 copies of this report are sent to David Natoli and 5 copies to Kathleen Owens for distribution among the Senate, Assembly and Public Information Office. The report lists all disbursements made during a six month period. It is verified against the SFS report NYGL0064.