



STATE CONTROLLER'S BULLETIN

Edward Karass
State Controller

Rebecca M. Wyke, Commissioner
Administrative & Financial Services

Bulletin #FY04-07

SUBJECT: Type 1 Payment Checks Held in Treasury for Agency Pick Up

DATE: October 6, 2003
TO: All Departments and Agencies
FROM: Edward Karass, State Controller
CC: Rebecca M. Wyke, Commissioner of Administrative and Financial Services

In response to what has turned out to be a weakness in the State of Maine's system of Internal Control, we are changing the longstanding practice of allowing agencies to schedule checks to be picked up in the Treasurer's Office or to have checks returned to an agency instead of mailing them directly to a vendor. The Controller's Office understands that there may be an occasional need for a check to be handled by an agency, and we have made provisions to accommodate these unusual circumstances. If an agency believes in rare instances that it must take physical control of a Type 1 Vendor Payment Check, the agency may apply to the Pre-Audit Unit of the Bureau by sending a memo signed by the chief fiscal officer stating the reason why the agency must have hands on control of the payment, and how and when the check will be transmitted to the vendor.

In order to accomplish the change in policy regarding check pick-ups, we have had the MFASIS system modified in manner such that the Bureau of Accounts and Control will have the final level of approval for allowing checks to be picked up in Treasury or to be sent to the agency for handling and processing. Currently, approximately two-hundred checks each day are held instead of being forwarded directly to a vendor. This policy revision will result in diminishing the number of checks held by the Treasurer for pick up to near zero and at the same time improve the effectiveness of our overall internal control.

Please note that as we examine the controls of the various systems that interface with MFASIS, we may find it necessary to extend the requirements of this bulletin on a case-by-case basis to these systems.