



STATE CONTROLLER'S OFFICE – BULLETIN 03-11-2019

Wisconsin Department of Administration – Division of Executive Budget and Finance

BULLETIN 03-11-2019

Revised Wisconsin Accounting Manual Sections 05-09 – Accounts Payable Payments, and 10-01 – Central Federal Draw.

The Legislative Audit Bureau has recently made the State Controller's Office aware of a potential issue with the timing of Federal draws for Cash Management Improvement Act (CMIA) Part B programs. Part B programs are those that are not covered under the Treasury-State Agreement and represent all Federal grant programs that provide less than \$60 million in funding annually. Approximately 14% of the Federal grant funds received by state agencies are through Part B programs.

The issue is that agencies may be approving voucher payments in STAR well before the scheduled payment date. And, because the Central Federal Draw process is based on when the vouchers are approved, the State may be drawing some Federal funds earlier than necessary.

Agencies must approve payments as close to the scheduled payment date as administratively feasible. This is especially important when the payment is funded by a Federal grant, as it is a requirement of the CMIA that Federal draws are timed as closely as administratively feasible with the State's disbursement. Agencies who do not approve payments in this manner will be subject to Federal non-compliance.

The SCO will be working with state agencies to develop standards for the timing of voucher approvals in STAR, and will issue additional, detailed guidance at a later date.