

# ALERT! ALERT! ALERT!

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## ALERT #130

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart *ALB*  
State Controller

DATE: May 9, 2000

SUBJECT: *New Contract Policies*  
*Warrants Payable and Cash*  
*Credit/Accounts Receivable Policy*  
*Visa/Mastercard Statewide Contracts Signed*

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### ***New Contract Policies***

The state controller has recently adopted two new state contract policies to assist all state agencies and institutions by streamlining the contract process.

Effective April 14, 2000 the new State Controller Policy, *Executing State Contracts with a Value of No More than \$25,000*, was adopted. This policy eliminates the requirement to have a legal sufficiency review perform on every state contract by the Attorney General's Office or a designated Special Assistant Attorney General. Contracts within the thresholds established by and consistent with the limitations of the policy can be executed by a state controller delegate without a formal legal review.

Effective April 21, 2000 the new State Controller Policy, *Federal Sub-Recipient Grant Contracts*, was adopted. This policy was developed to simplify and expedite the approval process for federal sub-recipient grant contracts and give the state controller delegates the authority to execute last federal sub-recipient grant contracts, under certain conditions.

Both of these new state controller policies should assist all state agencies and institutions by streamlining their state contract processing. The policies are available on the state controller website at [www.sco.state.co.us](http://www.sco.state.co.us). Should you have questions, please call Phil Holtmann at 303-866-3809 or John Ivy at 303-866-3281.

### ***Warrants Payable and Cash***

In order to comply with an audit recommendation, the State Controller's Office will report warrants payable as a reduction of Cash and Pooled Cash on the state's fiscal



year 1999-00 and subsequent year's financial statements. All agencies that prepare and distribute stand alone financial statements are required to make the same change in presentation. This change was not included in the Fiscal Procedures Manual released in March 2000. Therefore, you should make note of this change in the Financial Statement Line Item Account Grouping tables in Chapter 3, Section 4.4 (Page 103, 107, and 109).

In prior years, the state included COFRS liability accounts 2000, 2001, and 2712 in the Warrants Payable line item. These accounts should now be reported along with cash asset accounts in the Cash and Pooled Cash line item. This change applies to all fund types and agencies that prepare and distribute stand alone financial statements. Also, note that this affects the change in cash on the Statement of Cash Flows. Beginning cash on that statement should be adjusted to reflect the change. If you have questions concerning this requirement, please call David McDermott at 303-866-2739.

### ***Credit/Accounts Receivable Policy***

The State Controller's Office has issued a new Credit/Accounts Receivable Policy applicable to all state agencies and institutions of higher education. The policy outlines the State of Colorado credit policy and provides additional procedural guidance on recording, reporting, and collecting debts due the state. The policy should be added to the Fiscal Procedures Manual as a new Chapter 8. A copy of Chapter 8 is attached to the electronic version of this Alert. It is also now incorporated in the Fiscal Procedures Manual, available on our website. Questions regarding the new policy should be directed to your field accounting specialist.

### **Visa/Mastercard Statewide Contracts Signed**

The State Treasurer's Office has finalized contracts with Paymentech and Wells Fargo for Visa and Mastercard acceptance. If your office is ready to implement credit card acceptance, the Treasury is ready to talk to you. Call Doug Windes at 303-866-3253. The Discover and American Express contracts are not signed yet but are projected for June 2000.