

**THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER**

**INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES**

**DIRECTIVE 25 - GUIDELINES FOR THE USE AND SUBMISSION OF  
MISCELLANEOUS VOUCHERS**

**INTRODUCTION AND SUMMARY**

The purpose of this Directive is to provide agencies with guidelines for the use and preparation of Miscellaneous Vouchers.

The use of Miscellaneous Vouchers is limited to specific payment situations where the amount of the purchase or expenditure could not have been determined in advance or where an Advice of Contract Award, Purchase Order or Agency Encumbrance was neither required nor applicable.

Where agencies are able to pre-determine the amount of the future liability they must encumber budgeted funds for the estimated amount by initiating, where appropriate, a Purchase Order, Advice of Contract Award or Agency Encumbrance.

This Directive is issued in accordance with Section 93(h) of the New York City Charter, which empowers the Comptroller to prescribe methods for preparing and auditing vouchers before payment and to conduct reviews to ensure compliance.

**1.0 GENERAL INFORMATION**

## **1.1 Organization**

1.0 General Information

2.0 Agency Incumbrance Requirements

3.0 The Miscellaneous Voucher

4.0 Taxpayer Identification Number (TIN) Requirement

5.0 Suspension of Agency Pre-Audit Authority

## **1.2 Effective Date**

This Directive is effective immediately and supersedes the previous release dated May 22, 1991.

## **1.3 Assistance**

Requests for additional copies and questions concerning this Directive should be addressed to Joseph Trapani, Chief, Bureau of Management and Accounting Systems, Municipal Building, 1 Centre Street, Room 1005, New York, NY 10007, (212) 669-8201.

## **2.0 AGENCY ENCUMBRANCE REQUIREMENTS**

The Agency Encumbrance was instituted some years ago to strengthen the City's budget control system by serving both to set aside budgeted funds for a specific purpose and to limit a growing agency

reliance on use of miscellaneous vouchers. The specifics of the Agency Encumbrance requirement are outlined in Comptroller's Memorandum #91-03, *"Instructions and Guidelines on the Use and Preparation of the Agency Encumbrance"*.

An encumbrance represents a commitment related to unperformed contracts for goods and services. In general, whenever the amount of an future obligation can be predetermined, a Purchase Order or Advice Award should be established to encumber the estimated liability against its associated budget funds.

In cases, where an Award Advice or Purchase Order are not required but a specific future liability can be determined and the anticipated amount to be paid is measurable, the agency must encumber or set aside necessary budget funds by means of an Agency Encumbrance.

### **3.0 MISCELLANEOUS VOUCHERS**

The sole purpose of the Miscellaneous Voucher is to facilitate payment, for services rendered, in those limited instances where funds were not encumbered because of an inability to pre-determine either the need for the service or its estimated cost. It is one of several payment voucher types which can be entered into the City's Integrated Financial Management System (IFMS).

#### **3.1 Allowable Miscellaneous Voucher Expenditures**

The use of Miscellaneous Vouchers, as previously indicated, is restricted only to situations where a current liability was not previously determinable or measurable and an Advice of Award, Purchase Order or Agency Encumbrance was neither required nor applicable. This section lists the

appropriate uses of a Miscellaneous Voucher.

3.1.1 Payments to the Postmaster.

3.1.2 Utility and Telephone billings.

3.1.3 Establishment of and increases to imprest funds.

3.1.4 For agencies without an imprest fund, all imprest fund type expenditures under \$250. Examples include small purchases of supplies, materials and equipment, out-of-City travel expenses, and carfare.

3.1.5 Reimbursements, increases and advances to agency demand accounts.

3.1.6 Accidental death benefit payments to beneficiaries

3.1.7 Lump sum payments for accrued leave to beneficiaries.

3.1.8 Union welfare and annuity payments.

3.1.9 Payments to court appointed attorneys who handle cases for indigent individuals.

3.1.10 Payment for transcripts related to court proceedings from a court reporter.

3.1.11 Payments to pension funds.

3.1.12 Sundry reimbursement of employee out-of-pocket expenses. Examples include carfare, tolls, telephone, mileage and out-of-city travel costs.

3.1.13 Real estate tax payments paid to a municipality other than the City of New York.

3.1.14 Monthly advances to libraries and cultural institutions on a lump sum budget.

3.1.15 Miscellaneous payments in the 500 group of object Codes (Social Services) when paid to an individual receiving assistance, but not including payments made to a provider of human, social or client services.

3.1.16 Miscellaneous payments in the 700 group of object Codes (Fixed and Miscellaneous Charges).

3.1.17 Miscellaneous payments in the 800 group of object Codes (Transfers for Debt Service).

### **3.3 Miscellaneous Voucher Processing**

Miscellaneous Vouchers are created by initiating a FISA Payment Voucher (ACECF 400) and by checking off the "VM" code in the appropriate voucher type section of the form.

The ACECF 400 is a universal form which can be used for five different voucher types. Preparers are required to identify the nature of the payment in the "Voucher Type" section by

marking off the appropriate box. For information purposes, the four other payment voucher types are type "VO" which is used in situations where purchase orders and Agency Encumbrances are involved, type "VC" for use with contracts or change orders, type "VI" for intra-city expenditures and type "VR" for reimbursements such as to a petty cash fund.

#### **4.0 TAXPAYER IDENTIFICATION NUMBER (TIN) REQUIREMENT**

Miscellaneous Vouchers, like other voucher types, require taxpayer identification data as part of the information that agencies must enter into the "Vendor Information" section of Payment Voucher (ACECF 400).

In recent years the dependence on Taxpayer Identification Numbers (TIN) for revenue enhancement, analysis, investigation and selected tax reporting has increased significantly. The City of New York has several systems in place which use TINs as a key data element.

The Comptroller will also be using TINs to monitor payments made by Miscellaneous Vouchers with particular emphasis on detecting inappropriate and repetitive payments to long term vendors.

#### **4.1 Taxpayer Identification Coding**

When entering TINs on Miscellaneous Payment vouchers, agencies must also provide additional coding which identifies the vendor type and 1099 reportability of the payment.

This section highlights TIN coding. It is not intended to provide detailed TIN coding

instruction. Further details on taxpayer identification information, including how it should be entered on payment vouchers are provided in Comptroller's Memorandum 94-4, *"Revised Instructions For Identifying and Entering Form 1099-MISC Reporting Data on Payment Vouchers and Capital Payment Vouchers"*. Agencies must be familiar with these instructions for the proper completion of Miscellaneous Vouchers.

Basically, the required taxpayer identification information consists of three components:

- The taxpayer identification number (TIN), which consists of nine digits and will be either a Social Security Number (SSN) or an Employer Identification Number (EIN).
- A code indicating vendor TIN type, which may be an "A", "B", "C" or "X" for individuals, unincorporated organizations, corporations and intra-city payments respectively.
- A one character "R" or "N" code indicating 1099 reportability of the payment.

#### **4.2 Edits Placed in IFMS System**

The Comptroller uses taxpayer identification information to closely monitor agency compliance with both Miscellaneous Voucher guidelines and TIN coding requirements. To assist in this effort, IFMS edits will reject payment vouchers with invalid or incomplete taxpayer identification information. Refer to Comptroller's Memorandum #91-05, *"New IFMS Edits For Taxpayer Identification Information"* for details concerning these edits.

## **5.0 SUSPENSION OF AGENCY PRE-AUDIT AUTHORITY**

Failure to comply with this Directive's guidelines for the preparation of Miscellaneous Vouchers may cause the Comptroller to suspend or withdraw agency pre-audit authority.

As previously stated, section 93(h) of the Charter authorizes agencies to prepare and audit vouchers before payment. This section also allows the Comptroller, with Audit Committee approval, to suspend or withdraw this authority upon a finding of abuse or a determination that the agency lacks adequate internal controls.

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