




THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER

SCOTT M. STRINGER  
COMPTROLLER

COMPTROLLER'S MEMORANDUM  
# 2015-1

**To:** Agency Heads/Fiscal Officers

**From:** Michele Mark Levine   
Deputy Comptroller for Accountancy/Chief Accountant

**Date:** April 1, 2015

**Subject:** Update to Comptroller's Directive # 24 – *Agency Purchasing Procedures and Controls*

The Comptroller's Office is currently working on a comprehensive update to the current version of Directive #24 – *Agency Purchasing Procedures and Controls*, issued on April 15, 2004, as it is out of date and refers to many FMS documents that were subsequently changed with the implementation of the latest FMS system – FMS3.

An addendum to Directive #24, *FMS2 to FMS3 Crosswalk* (<http://comptroller.nyc.gov/general-information/directives/?pageid=251&value=Agency Purchasing Procedures and Controls. As reissued on March 11, 2014>), provides a crosswalk from the previous FMS2 documents to the new FMS3 documents that replaced them. Please note that the crosswalk should be used to identify the appropriate FMS3 documents.

In the interim, this Comptroller's Memorandum (CM) is being issued to reinforce that limitations contained in the current Directive # 24 regarding the permissible uses of the previous FMS Purchase Order Document (PO) now apply to the FMS3 Purchase Order – Non-Commodity Document (PON1). Similarly, the limitations contained in the Directive regarding permissible

uses of the previous FMS Miscellaneous Payment Voucher Document (PVM) now apply to the FMS3 Payment Request – Miscellaneous Document (PRM1).

PON1 should be used only as a general agency encumbrance for special, non-procurement expenditures for which a contract or other Purchase Document is not required. Appropriate uses of PON1 are limited to payments to:

- Union welfare funds;
- Pension funds;
- Major cultural institutions;
- Health insurance companies;
- New York State court-ordered tuition to private educational institutions;
- Congregate care facilities;
- U.S. Postal Services (USPS) - made to the USPS or a commercial vendor such as Pitney Bowes.

PRM1 should be used only for payments for which a contract or another Purchase Document is not required or applicable. Appropriate uses of a PRM1 include:

- For agencies without an imprest fund (see Directive #3), all imprest fund type expenditures under \$250 (examples include small purchases of supplies, materials, and equipment);
- Reimbursements, increases, and advances to agency demand accounts;
- Payments for accrued leave and death benefit payments to beneficiaries of City employees;
- Payments to court-appointed attorneys who handle cases for indigent individuals;
- Reimbursements to employees for out-of-pocket expenses, including carfare, tolls, telephone, mileage, and out-of-City travel costs;
- Real estate tax payments to a municipality other than The City of New York;
- Payments to providers of medical examinations for Line of Duty Injury (LODI) claims;
- Miscellaneous payments in the 5000 group of Object Codes (Social Services) when paid to an individual receiving assistance;
- Miscellaneous payments in the 7000 group of Object Codes (Fixed and Miscellaneous Charges);
- Miscellaneous payments in the 8000 group of Object Codes (Transfers for Debt Service).

Inappropriate uses of PRM1 include:

- The purchase of supplies, equipment, materials and services for which an FMS Contract Document and/or Purchase Document is required and applicable. Use the appropriate FMS Contract Documents or appropriate Purchase Document, and the related Payment Voucher;
- Monthly rent payable on lease or license agreements or other uses of real property;
- Payments to postal and phone service providers;
- Union welfare and annuity payments;
- Payments to pension funds;
- Monthly advances to libraries and major cultural institutions;
- Intra-city expenditures;
- Reimbursements to Imprest Funds.

Refer to Directive # 24 – *Agency Purchasing Procedures and Controls* and the *FMS2 to FMS3 Crosswalk* documents for guidelines regarding the use of appropriate FMS documents.

Any questions related to the applicability of Directive #24 to the current FMS3 documents should be directed to the Office of the Comptroller, Attention: Directives/Policy Unit, Bureau of Accountancy, Municipal Building, One Centre Street, Room 200 South, New York, NY 10007, (212) 669-3675, or via email (*directives@comptroller.nyc.gov*).