
**Rules of
Office of Administration
Division 10—Commissioner of Administration
Chapter 3—Preapproval of Claims and Accounts**

Title	Page
1 CSR 10-3.010 Preapproval of Claims and Accounts: Definitions/Examples	3

Title 1—OFFICE OF ADMINISTRATION

Division 10—Commissioner of Administration Chapter 3—Preapproval of Claims and Accounts

1 CSR 10-3.010 Preapproval of Claims and Accounts: Definitions/Examples

PURPOSE: *The commissioner of administration has the duty pursuant to section 33.030(3), RSMo to preapprove claims and accounts and to certify them as being regular and correct to the state treasurer for payment. This rule defines certain terms and describes situations related to this responsibility.*

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) The following are types of claims certifiable as regular claims:

(A) Claims for goods and services having a clear business relationship to the agency work program and submitted for payment after delivery. The claim must be documented with an invoice billed to the state department on the vendor's original descriptive business invoice form. Invoices must be from vendors typically engaged in a business practice of providing such goods or services. Reimbursements may be made to employees for minor purchases made on behalf of the state when accompanied by original descriptive receipts;

(B) Claims for expenditures made pursuant to programmatic appropriations and other statutory authority;

(C) Claims for expense account reimbursements and direct billed invoices for the payment of reasonable and necessary employee travel expenses actually incurred on behalf of the state. Rules concerning employee travel expenses have been adopted and issued by the Office of Administration; and

(D) Claims for employee course tuitions/fees and related educational supplies that are either reimbursed or direct billed. Evidence of course completion must be provided and reimbursements must be supported by proof of payment. Course expenses may be paid in advance of course completion only when

documentation indicates that the agency required the employee to take the course.

(2) The following are types of claims which may not be certified as regular claims unless special circumstances substantially justify the granting of an exception to this rule:

(A) Claims for the purchase of goods or services which are not apparently or cannot be substantially justified as directly related to the transaction of state business. For example, employee parties, agency team uniforms, employee gifts, holiday cards and decorations, personal club memberships, memorial flowers, political and charitable contributions and traffic tickets. An exception is made for the purchase of retirement, service, and other recognition award gifts which may be certified as regular claims if reasonable in relation to the circumstances of the award and primarily represent a token of recognition and not a reward with a cash equivalent or substantial monetary value. Claims for the expenses of receptions for employee recognition events should be at a nominal price per person attending. Holiday decorations are allowed for commonly accessed public areas such as reception and waiting rooms;

(B) Claims for the repair of damages or loss of employee's personally owned property, such as clothing and privately owned vehicles, except when such claims have been made against the state through the Office of Administrations Risk Management Unit and approved for payment from the Legal Expense Fund;

(C) Claims with invoices prepared by state agencies rather than vendors. An exception would be for those types of payments not customarily initiated by a vendor, such as lottery awards, uniform allowances, inter-agency billings, some refunds and some program payments. An exception would also be for vendor invoices billed through electronic media rather than paper invoice. The agencies may submit copies of faxed invoices and print copies of invoices that were billed through electronic mail or billed on computer disk/tape;

(D) Claims submitted to pay employees of the state or others for goods or services they have sold to the state if it is evident that they are not generally engaged in the business practice of selling such goods or services. For example, an employee or employee family member or friend rents or sells personally owned property to a state agency;

(E) Claims with invoices which are not invoiced to the state department that is submitting the claim;

(F) Claims for expenditures to reimburse accounts held outside of the state treasury or not authorized by law;

(G) Claims that do not sufficiently describe the products or services purchased or the date purchased. This would include any unsupported charges or unsupported past due amounts;

(H) Programmatic claim documentation that does not sufficiently relate the expenditure to the program or does not appear to adequately support/control the payment;

(I) Claims to make payments on credit card accounts such as VISA or Master Card. Exceptions include proprietary charge cards issued by businesses to facilitate their centralized billing and accounting, such as used by oil companies and some retail stores;

(J) Claims submitted for payment before the goods or services have been received. Exceptions would be for those types of items or services for which payment in advance is the normal business practice, such as subscriptions, registrations, memberships, insurance, postage, maintenance agreements and building/parking rentals. Advance payment is also allowed when the vendor requires prepayment as a condition of the sale or is required by contract. The invoice or other claim documentation must clearly state this requirement;

(K) Claims to establish imprest funds not authorized by law or to increase established imprest funds over the maximum amount allowed by law;

(L) Claims to reimburse imprest funds for expenditures that are not incidental in nature or are not for other specific uses authorized by law. Incidental expenditures are defined as payments that are occasional, minor and immediately necessary for the proper operation of the facility. Travel expenses, including registration fees, are not to be paid from imprest funds. Imprest funds are not intended to be used as a means to circumvent state purchasing procedures; and

(M) Claims for late payment penalties that are not separately billed.

(3) The following are claims which may not be certified as correct claims for the purpose of the appropriation charged:

(A) When the description of the claim indicates that the expenditure is not within the purpose of the appropriation being charged. For the purpose of certification for correct appropriation the following appropriation type definitions will apply:

1. Expense and equipment—all expenditures for operating services, supplies, rentals, professional and technical services, other charges necessary to the operation of an agency, acquisition of equipment and major repairs that extend the useful life of the equipment. This appropriation type also includes expenditures for operational repairs to state-owned facilities which do not increase



their capacity or operating efficiency or enhance their function and are limited to ten thousand dollars (\$10,000) per project. Expense and equipment appropriations may also be used for capital improvements to offices and buildings up to ten thousand dollars (\$10,000) when no capital improvement appropriation exists and the expenditure is approved by the director of the Division of Design and Construction and the assistant director of the Division of Accounting. Expense and equipment appropriations do not include employees wage/salaries, land acquisition, building acquisition, building construction, building demolition and capital improvements other than those allowed above;

2. Capital improvements—substantial expenditures for the purchase of capital assets (land and buildings) and the extensive repairs and improvements to a capital asset which increases its capacity or operating efficiency by extending its useful life and/or enhancing its function. Purchase costs include purchase or contract price, delivered accessories, delivery charges and other purchase-related costs. Extensive repair and improvement costs include materials and supplies directly related to the project and necessary to its completion and other related costs to the project;

3. Personal services—all expenditures for salaries, wages and related employee benefits; and

4. Program/specific—expenses for a group of activities or services performed for an identifiable group to serve a specific purpose. This appropriation type allows any type of expenditure necessary to fulfill the intent of the program as defined in the corresponding house bill. Program appropriations may be broadly constructed or contain restrictive language for specific purposes;

(B) When the invoice order date or service period indicates that the expenditure is being applied to an incorrect fiscal year appropriation. For the purpose of certification for correct fiscal year, the invoice should be dated within the fiscal year being charged. If the invoice is for services, it should indicate that the services were provided in a time frame within the fiscal year being charged. Unless exempted in the following paragraphs, claims for services provided in the next fiscal year cannot be charged to the prior year appropriation:

1. Exception: Invoices for subscriptions, membership dues, post office box rentals, maintenance agreements and premium payments for insurance coverage, may be paid from the current fiscal year even though the terms may overlap into the next fiscal year;

2. Exception: If invoices dated July or later are being charged to the previous year appropriation, the submitting agency must provide documentation indicating that the

expenditure was obligated in the previous year;

3. Exception: A prior year claim may be paid from a current fiscal year appropriation if the vendor presented the claim to the state agency within two (2) years after the claim began to accrue (section 33.120, RSMo);

4. Exception: A service invoice may be paid from the current fiscal year for services to be provided in the next fiscal year if the vendor is requiring immediate payment in order to grant a cost savings discount or if it is required by contract. An example would be an invoice for a seminar to be held in the next fiscal year for which the vendor is giving an early prepayment discount. Registration fees may be paid from the current fiscal year for events to be held in the next fiscal year when time is insufficient to process the payment; and

5. Exception: A service invoice for services spanning two (2) fiscal years may be prorated between the two (2) fiscal years appropriations or paid entirely from the most recent fiscal year's appropriation; and

(C) When a claim is submitted against an appropriation for which there is an insufficient appropriation balance.

(4) The following are other types of claims which may not be certified as correct claims pending resolution of the incorrect condition when:

(A) The vendor name on the invoice/document does not agree with the vendor name entered on the warrant request;

(B) The amount to be paid does not agree with the amount on the vendor invoice/document;

(C) The warrant request does not contain the authorized department signature;

(D) The object codes used do not relate to the descriptions of the goods or services purchased pursuant to the object code descriptions published in the *State of Missouri Financial Management and Control System Manual*;

(E) Travel expense reimbursement claims and direct billed travel expenses are in non-compliance with the requirements of the *State of Missouri Travel Regulations* issued by the Office of Administration, Division of Accounting;

(F) Claims for expenditures are not documented with one of the delivery receiving report methods described in the *State of Missouri MAPS/SAM Agency Procedures Manual* issued by the Office of Administration, Division of Accounting.

Exceptions would be for those types of items or services for which payment in advance is the normal business practice or when prepayment is required by the vendor;

(G) Claims to establish, increase and reimburse imprest funds are not submitted in accordance with the accounting procedures of the *State of Missouri MAPS/SAM Agency Procedures Manual* issued by the Office of Administration, Division of Accounting; and

(H) Claims for late payment penalties are not submitted in accordance with the accounting procedures of the *State of Missouri MAPS/SAM Agency Procedures Manual* issued by the Office of Administration, Division of Accounting. It is the submitting agencies responsibility to verify that late payment penalties are calculated correctly pursuant to section 34.055, RSMo. The Office of Administration, Division of Accounting may ask for documentation to support that the agency has recalculated and verified the correct late payment penalty amount. A copy of the original invoice that was paid late, must be attached to the late payment penalty invoice. Late payment penalties should be paid from funds appropriated in the fiscal year in which the goods or services were delivered. If that fiscal year has lapsed, current fiscal year funds must be used.

*Auth: section 33.030(3), RSMo (1986).**
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**Original authority 1945, amended 1959.*