

Authorization Instructions and Guidelines

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Authorization Instructions and Guidelines

GENERAL INSTRUCTIONS

Purpose: To authorize payments for services. Care should be taken that each authorization is consistent with the provisions on the Individualized Plan for Employment (IPE), as appropriate, and that all services are clearly itemized with their respective costs. CMS will not allow authorizations for services that are not on the IPE (other than diagnostic) unless justified in the system. Specific instructions on how to produce an authorization in CMS are available in the CMS Training Guide.

Services may not be provided until the authorization is initiated and signed by a qualified rehabilitation counselor. The authorization may be completed in advance or simultaneously with the provision of services.

Generally, routine authorizations that have established fees or utilize a CPT code do not require additional approvals. However, some services do require the approval of the Branch Manager, Central Office or the Cabinet Finance Branch. Consult the Service Fee Memorandums and the Policy and Procedures Manual – Services and Fiscal Concerns sections for more information about specific services or fiscal conditions that require additional approval.

Preapproval: Authorizations that require additional approvals cannot be printed until the necessary **pre-approval** is given in CMS. The specific amounts or conditions that require pre-approval and the staff person who has authority to make the approval can be found in table format on the OVR Internet site at <http://ovr.ky.gov/executivedirector/adminserv.htm>.

Authorization Type: There are four types of authorizations.

Pay

Inter-Account (payments to other state agencies)

Non Pay Cash (Short-term, urgent purchases within the guidelines that cannot be made through the pay system)

Costing Back (To track case expenditures purchased through other means or through the state procurement system)

Authorization Number: The authorization number is an automatically generated number. The numbers are unique and assigned in numerical order regardless of caseload. CMS stores all authorizations produced since November 2008 and each can be recalled electronically using this seven digit number. Authorizations can be reprinted at any time.

For: Indicates the consumer for whom the authorization of services is being made.

Budget Unit Number: This number indicates the appropriate budget to which the expenditures will be applied. Certain Budget Units have restrictions on what expenditures can be charged to them. The most commonly used budget Unit Numbers are:

Caseload Budgets -	67(XX) The XX indicates the district number i.e. Paducah – 6701)		
Personal Care Attendant	6717	PACE	8750
CRP	6719	PACE CDPVTC	8700
Rehabilitation Technology	6730	Supported	
RCD	6785	Employment	6760
CBWTP	6790	Contingency Fund	6795

ACCT#: Enter the appropriate vendor account number, invoice number or date of service (DOS) if available. **Information typed into this space will appear on the check.** For security and confidentiality reasons, the consumer’s SS# should not be used as the account number. The system will automatically generate the consumer’s first and last name on the check but a vendor account or invoice # will assist our vendors in posting checks to the correct account. Please note: the space is limited to a combination of 20 characters and/or spaces that will print on the check. Therefore, using abbreviations in this field is strongly encouraged. For example, “DOS” could replace “date of service”; “Acct 1234” could replace “Account Number 1234”; “Cust 4567” could replace “Customer Number 4567”; etc.

Vendor Name & Address: Indicates the service provider, vendor number and address. The Finance and Administration Cabinet assigns a vendor number to each business entity or individual from whom the Commonwealth purchases goods or services. Approved vendors and their addresses are imported from eMARS. Regardless of the address that CMS has for a vendor, the check will go to the address the vendor submitted to the Commonwealth as their payment address. To set up new vendors or make changes to existing vendor addresses, etc. please contact Lois Carpenter at central office at 502-782-3440 or via e-mail at loiss.carpenter@ky.gov. Be aware that even though a vendor is listed in CMS, it is not certain that they continue to accept our authorizations. If it is not a vendor that you work with on a regular basis, it is always prudent to call the vendor to verify that they still accept our authorizations.

Billing Address: This information is automatically generated and indicates the authorizing counselor and office location.

Authorization Section: This section details the service(s) to be provided, the quantity or units and the authorized amount(s).

Expenditure Code/Service: The two number and one letter code is the expenditure code which reflects the service to be purchased. Services starting with the number “1” may only be authorized for diagnostic or assessment purposes. Other codes are restricted to certain case statuses or other conditions. If an expenditure code is not listed as a selection in CMS, it is probably because the case is not in the appropriate status to use that expenditure code. Every expenditure code corresponds to a specific service on the IPE in CMS. See the Expenditure Code listing at <http://ovr.ky.gov/executivedirector/adminserv.htm> which lists all the expenditure codes under the service to which it corresponds. The use of an expenditure code whose service is not on the IPE will require a **justification**. There are two appropriate justifications: 1) if the IPE was implemented prior to the implementation of the current CMS, “Case migrated from previous system” should be used or 2) if the service is necessary to further assess the individual’s eligibility, priority category assignment or scope of service needs in IPE status or higher, the service does not have to be listed on the plan and the justification should explain why. If neither of those situations apply, the IPE should be updated to reflect the appropriate service.

Additionally, some expenditure codes are available in applicant, trial work, and accepted statuses that require a justification for making that particular purchase in those statuses. An appropriate justification might be: “The purchase of glasses was necessary to complete the vocational evaluation”.

See the Expenditure Code Section of the Policy and Procedures Manual for specific information on appropriate code selection. A basic description is automatically generated. A more detailed description should be added at the time of authorization.

Unit/Quantity: Reflects the number or quantity of each service authorized. For services that are rendered over a period of time, the counselor should consider the payment needs of the vendor in establishing the quantity to authorize. For example, it might be better to produce two authorizations for three therapy sessions each rather than one authorization for six sessions to expedite the payment to the vendor.

Unit Amount: Reflects the amount to be paid per unit. It is the joint responsibility of the counselor and assistant, as appropriate, to insure that the authorized amounts are allowable according to established Service Fee Memorandums, CPT codes and other agency policies and procedures. See Service Fee Memorandums and the Counselor Manual - Fiscal Concerns, Services, and Cost Participation Sections. Questions regarding fees or requests for exceptions to established guidelines for payment for services or economic needs testing should be addressed to Charles Puckett, CO Administrator. **Counselors and branch managers do not have the authority to set fees or pay amounts other than those established in the Service Fee Memorandums or the CPT fee schedule, including the application of appropriate economic need policy, without an approved exception.**

Authorized Amount: CMS automatically multiplies the units by the Unit Amount to make the Authorized Amount.

Grand Total: After all services are listed, CMS automatically tabulates the Grand Total.

Beginning Date: This is **the day on which services may legally begin**. For diagnostic or assessment services, this date can be as early as the application date. For other services, the date must be on or after the date that the IPE or corresponding amendment listing the authorized service is developed and signed by both the counselor and consumer (or representative as appropriate). In order to avoid a required justification on an authorization, the IPE or amendments should be entered into CMS prior to authorizing for non-diagnostic services. Authorizations submitted for payment before the beginning date will be returned in error.

Ending Date: This is **the last day on which services may be legally provided** on the authority of that authorization. The ending date may be any reasonable date within the current fiscal year but should reflect the expectations of both the consumer and counselor for when the service should be rendered. For example, an authorization for a diagnostic procedure necessary to determine eligibility within 60 days should not have an ending date eight months in the future. A good rule of thumb is that the ending date should not be more than three months after the beginning date unless there is a reasonable expectation that the service cannot be provided within that timeframe (i.e. supported employment outcome).

CRP, CBWTP and Supported Employment services often span more than one fiscal year. It is perfectly appropriate to make the end date for these services extend to the next fiscal year. **These authorizations will not need to be cancelled and reauthorized. All other authorizations need to be authorized and paid in the fiscal year that the service is rendered.**

The counselor should also consider the timeliness of payment to vendors when establishing the ending date. For ongoing services over a period of time, it might be best to authorize fewer units over shorter periods of time to expedite vendor receipt of payment.

Some services, by their nature, have established timeframes. The following table documents some common timeframe requirements.

TIMEFRAME TIPS

All services are to be preauthorized and the authorization submitted to the vendor for acceptance prior to service delivery.

Service	Begin Date	End Date	Payment	Other Information
All Pay Authorizations	Before or on date of service	On or after date of service	Upon receipt of adequate invoice and proof of service delivery (receipt or OVR 10, report, etc.) on or after date of service.	Payments cannot be made in advance of service delivery (i.e. tuition cannot be paid until the first day of classes, rent cannot be paid until the first day of the month, July's bus pass cannot be paid until July 1, etc.)
CRP Employment and Retention Job Placement 71A	Before or on date of job placement.	A reasonable period for the individual to obtain employment determined by the counselor.	A minimum of one day after job placement.	**It is important to put the case in job placement status at the time of payment. Authorization may span more than one FFY.
CRP Employment and Retention Adjustment Services 71B	First day on the job.	A minimum of 45 days after job placement.	On or after 45 days on the job.	Authorization may span more than one FFY.
CRP Employment and Retention Retention Services 35L	On the 46 th day on the job.	A minimum of 90 days after job placement.	On or after 90 days on the job.	Authorization may span more than one FFY.
Supported Employment Outcome	Before or on date of job placement	A minimum of 60 days after begin date. May be up to a year after begin date to allow adequate time for adjustment and training.	A minimum of 60 days after job placement	Supported Employment Outcome authorizations (35H) can span more than one fiscal year.

Service	Begin Date	End Date	Payment	Other Information
CBWTP Comprehensive Vocational Assessment	The date that the student starts vocational assessment services at the school.	The month that the school year ends.	Upon receipt of adequate report and invoice. May be paid up to two months prior to end of school term if enough information has been gathered for a comprehensive report.	CBWTP Comprehensive Vocational Assessment authorizations can span more than one fiscal year. They do not have to be cancelled at the end of the fiscal year. Many schools do not submit the report until the new school year. That does not change the service date. The report is based on the observations made during the previous school year activities.
CBWTP Assessment or Training Services	First day of first service month or date that student starts service.	Last day of service term either 12/31 or 5/31	After minimum hours of student assessment or training have been achieved (40 hours per term) and adequate invoice and receipt have been received.	Reports must be received monthly and attached. At end of term, if less than 40 hours are reported, take total hours divided by 8 and then multiply by \$150 for revised payment amount.

Service	Begin Date	End Date	Payment	Other Information	Be
CBWTP Employment Followup	The date student entered job placed status (cannot be prior to the student's graduation date)	A minimum of 60 days after begin date.	A minimum of 60 days after job placed status	The begin date denotes the school year that the student was served under CBWTP.	
Non Pay Cash	Before or on date of service	After or on date of service	Reasonable period prior to service delivery	Non Pay Cash can only be utilized for the reasons outlined in the Policy and Procedures Manual and the Authorization Guidelines. It is designed for shortterm, urgent needs that require cash in advance. It is not to be used to reimburse consumers.	

Counselor Authorizing Signature: **Only rehabilitation counselors can legally obligate agency funds for case services.** Only the caseload counselor, the supervising Branch Manager or, in their absence, another counselor can sign the authorization. **Assistants cannot sign on behalf of a counselor nor can a stamp be utilized.** Counselors who require an exception to state Finance policy as a reasonable accommodation may request it in writing to their Branch Manager.

Date: This is the date the original authorization is produced. For diagnostic or assessment services, this date may be as early as the application date. For other services, the date must be on or after the date that the IPE or corresponding amendment listing the authorized service is developed and signed by both the counselor and consumer (or representative as appropriate). **This date may not be later than the beginning date of any authorized services.** The authorization must be completed in advance or simultaneously with the provision of services. Exceptional and unforeseen circumstances that require the payment for a service that has already been rendered should be discussed with the Branch Manager and thoroughly documented in the case record.

Procedures: Once the original authorization has been produced (Moved to Sent to Vendor) reviewed for accuracy and signed, it becomes a legal document and can only be altered by adjusting or cancelling the authorization. Dates cannot be changed once the authorization has been produced. Please review the authorization carefully before moving to Sent to Vendor.

The completed authorization is to be sent to the vendor and a copy retained for the case record.

The vendor may refuse to accept the authorized fee. However, if the vendor accepts the fee, he/she cannot require that the consumer pay the difference between the fee VR will pay and the customary charge without prior approval.

Adjustments/Cancellations: Adjustments increase or decrease a portion of the authorization. Adjustments are to be made by individually adding each additional item or subtracting each authorized service that was not provided. Authorization adjustments may also be used to increase or decrease the authorized amount, to change the number of units, etc.

Cancel is to be used when the **entire authorization** is to be cancelled.

Just as with the original authorization, adjustments and cancellations are to be printed, signed by a rehabilitation counselor and sent to the vendor. A copy is to be attached to the original authorization and filed in the case file.

INTER AGENCY AUTHORIZATIONS

Inter agency authorizations are done in the same manner as a regular authorization but they do not generate an actual payment to a vendor. They are to be used to purchase goods and/or services from another state agency.

After the authorization is generated, it is to be signed by the counselor and sent to the other state agency in place of payment. For instance, the KY Board of Nursing requires payment be sent in with the application for a nursing license. In this case, the counselor would send them the application along with a signed inter agency authorization which will take the place of a check.

The other state agency will bill Central Office through the state accounting system (eMARS) and you will not receive an invoice from them. For recordkeeping purposes, a copy of the application and a copy of the inter agency authorization is enough documentation for your case file.

The state agencies that have already agreed to accept our authorization in lieu of a check are already loaded into CMS as inter agency vendors. If you need to use a state agency which is not already listed in CMS, please contact that agency first to make sure

that they can bill our agency through the eMARS accounting system. Our state agency number is 531 and their contact for billing is Mary Sue Goins which is information that you will need to provide them when you call.

After you have spoken to the other agency and they have agreed to bill us using eMARS, please contact Kathy Long in Central Office who will enter the agency into CMS for use in generating your authorization.

If you have contacted another state agency who is unwilling or unable to bill us through eMARS, please contact Sara Briggs in Central Office for further instructions. We are unable to write a check to another state agency or to KY State Treasurer and the pro card is not to be used to pay another state agency, so Sara can help you determine the best way to handle your situation.

NON-PAY CASH AUTHORIZATIONS

When a counselor has established a legitimate need, planned for the service on the IPE and the service cannot be obtained via the standard authorization process or with the consumer pro card held by local office staff or Linda Grubbs in Central Office, cash funds may be expended as outlined below. Non Pay Cash can only be utilized for the reasons outlined in the Policy and Procedures Manual and the Authorization Guidelines. It is designed for **short term, urgent needs that require cash in advance. It is not to be used to reimburse consumers.** The non-pay authorization may be authorized to the recipient of the service, but should be authorized to a vendor whenever possible. **Generally, non-pay cash funds paid to the consumer for a specific service should not extend beyond a three-month period. No more than one month's expenditure may be authorized at a time with a maximum limit of 3 months total.** This should allow the counselor, with the assistance of Central Office, adequate time to establish a mechanism to pay for the necessary service via the vendor payment system. Generally, non pay cash authorizations should not be sent for payment to Central Office more than seven (7) days in advance of the beginning date on the authorization. Contact Linda Grubbs at 502-782-3419 or linda.grubbs@ky.gov for further information or for instructions on how to obtain an exception approval to this policy.

Payment made directly to consumer, is not to exceed \$500.00 per non-pay authorization. Services include **only** these items:

- (a) **Maintenance** outside of home community and beyond normal living expenses: including room, board, apartment rental and/or subsistence.

40B – Shelter has a maximum of \$15 per day except for short periods of less than 1 week. For periods less than 1 week the state per diem rate may be paid.

40C – Food has a maximum of \$10 per day except for short periods of less than one week. For periods less than 1 week the state per diem rate may be paid.

- 40F** – Personal Incidentals has a maximum of \$100 per month and may be used for travel outside of the consumer’s home community and/or small purchases of toiletries, etc. needed to help the consumer become job ready. Authorizations for non pay cash for personal incidentals must include a description of the items to be purchased.
- (b) **40G** Uniform expenses.
- (c) **60B** Transportation expenses (other than purchase of airline ticket). Use the formula in the Counselor’s Manual to calculate transportation costs or the Consumer Mileage Documentation Form may be used. May not exceed the current state mileage rate.
- (d) **90D** Testing and/or license fees for consumers.

When a check is issued directly to a consumer, the consumer should be informed of the purpose for which the money is provided and the type of documentation that he/she will be required to produce. Additionally, the counselor must have a reasonable expectation that the money will be used for the intended purpose.

When a non-pay cash authorization produces a check that is payable to the consumer prior to acquiring the needed service or item, it is not possible to attach a receipt at the time of authorization. The consumer should produce a receipt(s) for the authorized expenditures within 30 calendar days of receiving the check. **Under no circumstances should additional non-pay cash funds be authorized until the appropriate documentation is received for prior authorizations.**

The following documentation must be attached to the non-pay cash authorization:

Maintenance, uniform expenses, incidental expenses, lodging, and testing or license fees: **Appropriate documentation includes invoices or receipts identifying items purchased or services received equaling or exceeding amount of cash received. For testing or license fees, documentation of test completion or licensure would be adequate documentation.** Receipts for tangible items must also include the consumer’s signature acknowledging receipt of the item(s).

Transportation: Appropriate documentation includes completion of the Consumer Mileage Documentation Form, taxi receipts, gas receipts, etc. totaling or exceeding the amount of cash received. It is important to document, not only that the invoice equals the amount given but, that the trip was necessary to the achievement of the Individualized Plan for Employment vocational objective. The need for the service can be documented anywhere in the case record but the Consumer Mileage Documentation Form addresses both issues with one form.

The non-pay cash authorization must be submitted electronically to Central Office and the counselor is to maintain a copy of the authorization. Once the counselor receives the check, verification of the correct amount and authorization number (located on check stub) must occur. The check number and check date is to be written on the

authorization. The counselor and consumer must sign and date the authorization, which verifies the check was delivered and received. The signed and dated copy of the authorization will then be filed in the consumer file. Appropriate documentation (receipts, etc.) are to be attached to the authorization when received.

- 2) **Non-pay cash authorization payments to vendors** can be made for the following and **only** the following:
 - (a) Maintenance including room, board, apartment rental, etc.
 - (b) Transportation expenses (other than purchase of an airline ticket).
 - (c) Drugs and medical supplies.
 - (d) Interpreter services, note taking services, tutoring services and childcare.
 - (e) On-the-job training services.
 - (f) Testing and/or license fees (original application must accompany non-pay authorization).

If services are not rendered or goods received, the check should be retrieved and an Authorization Refund document should be prepared, attached to the check and mailed to the Systems and Fiscal Management Branch in Central Office. Copies must be filed in the case file.

COSTING BACK

On occasion, the agency purchases items or services for consumers through a larger contract or through another funding source. In order to track the expenditure to the appropriate consumer, a costing back authorization is completed. This generally occurs under the following conditions but may occur at other times.

1. **CDPVTC** - The Center contracts with various entities to provide medical and psychological treatment for consumers at the Center. The costing back authorizations for these services are most often authorized by the Center Rehabilitation Counselor. The Activity Code (BUN) is 5600. The expenditure code should be the one that most closely describes the service rendered. The amount authorized through a costing back authorization to the Center may vary greatly. The amount is determined by dividing the number of service units provided during a specific period into the amount paid for the service during the same period. For example, if the contract is for an organization to provide psychological services to Center consumers for \$3000 per month and 100 hours of therapy were provided that month, the authorization would be for the number of hours each consumer received therapy X \$30. If however, under that same contract, only 50 hours of therapy was provided during that month, the

authorizations would be for the number of hours each consumer received therapy X \$60. Costing back authorizations to the Center for contract services do not need to be signed by the authorizing Center Rehabilitation Counselor. A statement indicating the service provider, the number of units of service the consumer received and the time frame must be attached to the authorization.

2. **Institutions of Higher Education for Interpreter Services** – OVR is the fiscal agent for monies designated by the Kentucky General Assembly to provide interpreter services to college students who are deaf. When the students are also OVR consumers and Interpreter services are included on their IPE, costing back authorizations are created to track the expenditure. **These authorizations are completed by Central Office.** The expenditure codes are:

70C- Interpreter Services for the Deaf

90M Notetaking (use this code for captioning and must be specified on description line).

90L for Tutoring (pay for interpreters only during tutoring of consumers who are deaf) The Activity Code (BUN) is 6881. The amount of the authorizations may vary widely. A copy of the invoice must be attached to the costing back authorization and filed in the case record. The authorization will be submitted by Central Office.

3. **Bid or Price Contract.** Goods purchased through the state procurement system requiring bids or price contract are to be tracked by entering a costing back authorization using the appropriate expenditure codes and the district budget unit. Field staff will be instructed when to complete the costing back authorization.
4. **Tools on Master Agreement (Currently Snap On Tools).** Field staff will be instructed when to complete the costing back authorization.
5. **Pro Card purchases.** Goods purchased through consumer services pro cards must be preauthorized and tracked by entering a costing back authorization using the appropriate expenditure codes and the district budget unit or the rehabilitation technology budget unit.

SIGNED RECEIPTS AND TRANSFER AGREEMENTS

Receipts signed by the consumer to acknowledge that item(s) were received **are required for all tangible items regardless of cost** (i.e. glasses, dentures, books, clothing, tools, medical equipment, hearing aids, computers, etc). **Bus passes are not considered tangible items for this purpose.** The receipt is to be signed at the time the consumer takes possession of the item(s). Signature on the delivery slip or the cash register receipt is sufficient for this purpose. Staff have the option of utilizing the

Receipt Form and Transfer Agreement (OVR 10) for this purpose as well. The original signed receipt or OVR 10 is to be attached to the authorization and filed in the case record.

Transferable items (usable by others such as tools, computers, etc.) **costing \$500 or more must have the OVR 10** completely filled out including the serial number, life expectancy of the item and the signature of the counselor and consumer. **A copy of the completed OVR 10 for transferable items costing \$500 or more must be faxed or mailed to Central Office** to the attention of Linda Grubbs with the electronic submittal of the authorization for payment or as soon as feasible thereafter. The original completed OVR 10 is to be attached to the authorization and filed in the case record. However, **payment to the vendor should not be delayed just because the OVR 10 has not been received** as long as all required documentation has been received for payment (invoice, report, etc.).

Custom or fitted items that cannot be used by others (i.e. prostheses, hearing aids, dentures, etc.) are not considered transferable and **do not require the OVR 10 if another itemized, signed receipt** is in the case record indicating that the consumer received the item. The original signed receipt or OVR 10 is to be attached to the authorization and filed in the case record.

QUOTES AND BIDS

OVR has a limit for the amount that can be paid to a single vendor for the purchase of tangible items such as tools, equipment, computers, initial stocks and supplies for self-employment, without obtaining quotes or going through the bid process.

Rehabilitation technology and medical supplies/equipment are exempt from the requirement to obtain quotes and the bid process.

Purchases from a single vendor **under \$1,000 do not require that quotes be obtained or the bid process be followed.**

Purchases from a single vendor of **at least \$1,000 but less than \$3,000** can be purchased locally using a pay authorization but **require three (3) quotes** on identical items. The case file must include documentation that the three quotes were obtained prior to purchase. It is not necessary to accept the lowest quote if a reasonable explanation for purchasing at the higher price is documented in the case record. For example, if the item with the higher quote can be delivered substantially sooner than the one with the lower quote, it could still be the best value to purchase at the higher rate.

If the total purchase from a single vendor **is \$3,000 or more it must be competitively bid.** This is true even if the purchase includes several items that are less than \$3,000. It is not permissible to divide the items among several authorizations to remain below this limit. The Branch Manager must approve the purchase before the bid process can begin. See the Counselor's manual for instructions on how to complete the bid process.

Documentation that all required quotes were obtained and the bid process was followed as appropriate is to be attached to the authorization prior to payment. All required receipts and OVR 10s as appropriate are also to be attached.

TOOLS ON MASTER AGREEMENT (SNAP-ON TOOLS)

The Commonwealth has negotiated a contract with Snap-On Tools. Every purchase of a tool or tools of \$1000 or more must be made through Snap-On Tools if offered by that company. Over all, this Memorandum of Agreement saves the Commonwealth a great deal of money. However, individual tools may or may not be less costly than what is available locally in your area.

Contact Information:

Snap-On Industrial Tools Account Manager – Doug Bailey

Cell: 859-620-9601

Fax: 859-331-3615

eMail: Douglas.C.Bailey@snapon.com

Snap-On Industrial Tools Catalog Website: <http://digimag.rrd.com/CAT1000i/>

Procedures

Send list to Linda Weber, OVR or Doug Bailey, Snap-On; to get the part numbers and Master Agreement price quote

Once quote is received; please approve the quote and send to Linda Weber, OVR.

Also include the following:

Ship to Address

Contact Name

Telephone Number

Linda Weber will send the quote to the Cabinet for processing a requisition to start the ordering process. This can be a lengthy process so please allow for adequate processing time. The process may take several weeks.

Complete a Costing Back (NonPay) Authorization utilizing Snap-On Tools as the vendor and move the authorization to “Sent to Vendor” status.

Once the tools have been received, the Costing Back Authorization can be moved to “Review” status in CMS. Please send a copy of the authorization and the completed OVR10 form to Linda Weber.

You will **NOT** send an authorization to the vendor. The Cabinet will work with the vendor via an eMARS ordering document and process the payment to the appropriate remittance address per the Master Agreement.

PROCARD PURCHASES

Select staff of OVR have been assigned ProCards specifically for consumer purchases. The following guidelines apply:

1. The consumer ProCard can be used to make purchases when there is no vendor available under the normal authorization process or if utilizing the consumer ProCard would result in a significant cost savings to the Agency. The authorization process is the preferred method of purchase when feasible and cost effective.
2. All requirements of Kentucky Finance Administration Policy FAP 111-58-00 apply. Items that are prohibited from purchase under this policy cannot be purchased with a ProCard even if the expenditure is allowable through the normal authorization process.
3. All restrictions on purchases through the normal authorization process also apply to consumer ProCard purchases. That means that all fee schedules, quote and bid requirements, preapprovals, cost participation requirements, etc. must be followed.
4. All purchases with the consumer ProCard must be preauthorized using the costing back function in CMS and signed by the appropriate counselor or supervisor. Consumer ProCard holders are not to make consumer purchases without the appropriate costing back authorization. Only counselors and/or their supervisor have authority to expend funds for consumers. The costing back authorization documents that approval. Best practice is to allow 30 days from the begin date to the end date to allow for delivery delays, refund of taxes, etc. The costing back authorization is to be adjusted and the adjustment signed by the appropriate counselor or supervisor when the final cost is determined.
5. The vendor is recorded as the ProCard district name (i.e. Whitesburg Pro Card purchases). However, a separate costing back authorization must be done for each purchase and individual vendor. The description on the costing back authorization must include the name of the vendor as it appears on the receipt and a short description of the product or service purchased.
6. The consumer ProCard holder is to put the case number, authorization number and caseload in the purpose field on the Visa website when making the purchase. Under no circumstances should the consumer's name or SSN be inputted on the Visa site.
7. Once the purchase is complete, the original invoices go to the Cabinet ProCard Administrator, Wendy Roberts, and a copy is to be attached to the costing back authorization.
8. All consumer ProCard holders have a single purchase, daily purchase, and billing cycle limit. Split purchasing to avoid these limits or other procurement policies is strictly prohibited.
9. Contact Linda Grubbs for necessary purchases that exceed the consumer ProCard holders purchase limit.
10. ProCards cannot be used to secure rental agreements or to purchase insurance.

11. All procurement requirements regarding verification of delivery (i.e. receipts or reports apply). Best practice is to have, when feasible, items delivered to the counselor's office to assure that the consumer receives the item or items in good order. It is acceptable to have large or heavy packages delivered to the consumer's address but all of the verification of delivery requirements remain.
12. Kentucky sales tax is not to be paid. Out of state sales tax may be an allowable expenditure if required.
13. Linda Grubbs is the Agency's consumer ProCard contact. Questions regarding the allowability of a purchase, how to input the costing back authorization, etc. that are specific to consumer purchases should be made to Linda. Generic questions regarding ProCard purchases: if a receipt was received, why a purchase was declined, etc. can be made to Wendy Roberts.

TEXTBOOK RENTALS AND DOWNLOADS

It is possible to pay the rental fee for hard copy textbooks rather than purchasing when it would result in cost savings. Most bookstores require that the rental be secured with a credit card to charge if the individual fails to return the book by the contracted date. Pro Cards **cannot** be used to secure rental agreements per Kentucky Finance Administration Policy (FAP 111-58-00). Under no circumstances is a Commonwealth of Kentucky Pro Card to be used for textbook rental. However, the initial textbook rental cost can be authorized and paid through the normal authorization process if the rental is secured by the consumer using his/her personal credit card or the vendor does not require the rental to be secured.

Downloadable textbooks can be purchased in specific situations. This option should be considered on a case by case basis dependent on the terms and conditions of the vendor. If there is a possibility that the Pro Card could be charged additional fees or, if the download is actually a temporary rental, a Pro Card may not be used. Please contact Linda Grubbs at linda.grubbs@ky.gov or 502-782-3419 for assistance determining if a textbook can be downloaded within Kentucky purchasing policies.

PAYMENTS

Thirty Day Payment Requirement: All **state agencies that purchase goods or services from a vendor must authorize payment to the vendor within thirty (30) working days of the receipt of the vendor's invoice and verification that the service was provided when necessary (i.e. reports, tutoring timesheets, etc.)** Failure to render payment within the 30 day period requires the agency to pay a one percent (1%) penalty for each month or fraction of a month exceeding the 30 days.

When the invoice and verification (if necessary) is received at the local office, the invoice and the report, timesheet, etc. and the authorization are to be stapled together and the authorization is to be **stamped "received" and dated the date that the last**

required document is received. For instance, an authorization to purchase tools would be stamped when both the tools and the invoice are received in the local office. Note: the necessary documentation for tools and equipment is “received” on the date that the items and invoice come into the possession of the agency, not the date that the tools or equipment are distributed to the consumer. As far as the vendor is concerned, the service has been rendered and the 30 working day requirement begins with delivery to vocational rehabilitation. In the event that an item or items are in the possession of the agency but delivery to the consumer is delayed, the invoice must be paid within 30 working days even though the consumer has not received the item or items.

As soon as possible, the “received” authorization that has all the necessary documentation for payment is to be electronically submitted for review to Central Office. Please be aware that checks may not be cut for several days after the authorization is submitted to Central Office so it is important to send in the authorizations as quickly as possible to avoid penalty payments.

Special Payment Notes

All vendor payments

If a vendor lists an account number, an invoice number, or a date of service on the final invoice received, please use that number in the ACCT # area of the authorization. This number will print on the check stub along with the consumer’s first and last name, which automatically prints, and make it much more likely that a vendor will post any checks received to the correct account. Please note, **the print space on the check is limited to 20 characters and/or spaces including the name** so abbreviate as much as possible, i.e. do not type “Date of Service” when “DOS” will convey the same meaning to the vendor.

PACE and PCA payments

Since the consumer is also the vendor for payments of this type, he/she must be entered as a vendor into the CMS system prior to authorizing for PACE or PCA services.

If you have a new consumer scheduled to start **PACE**, please send to Lois Carpenter via encrypted e-mail the consumer’s name, SS# and mailing address on or before the Wednesday preceding the work week that the consumer is starting PACE, to ensure that the authorization can be pre-authorized. Consumers will only need to be input as vendors once and will remain on the vendor screen for future authorizations.

PACE authorizations are to follow all the policies and procedures that are used with any other pay authorization. This includes preauthorization and receipt of all necessary pay documentation (timesheets with appropriate signatures) prior to submitting the authorization for payment.

Personal Care Attendant Payments

Recipients need to be set up as vendors in CMS prior to authorizing for services. If you have a new consumer receiving PCA services, send an encrypted e-mail to Lois

Carpenter containing the consumer's name, mailing address, and social security number. This request should be sent in at least 3 working days prior to the start date for services. Consumers will only need to be input once and will remain on the vendor screen for future authorizations.

PCA authorizations are to follow all the policies and procedures that are used with any other pay authorization. This includes preauthorization and receipt of all necessary pay documentation (timesheets with appropriate signatures, tax worksheets, etc.) prior to submitting the authorization for payment.

No-Shows

Generally, OVR cannot pay for services not rendered. Occasionally vendors will charge for "no-shows" where a consumer failed to keep an appointment. OVR pays for no-show fees in two instances only. The only authorized payment of a no-show fee is to a deaf interpreter or to a foreign language interpreter. These interpreters have to be scheduled in advance and involve travel to the site to interpret and are therefore entitled to be paid for a consumer no-show. No other no-show fees will be allowed including a no-show fee charged by a doctor's office.

Non Pay Cash Payments and Required Documentation

Once an authorization is submitted to Frankfort, payment will be made promptly via a check from Treasury. Please note: To insure that a Non-Pay authorization is released for payment the same day it is sent to Frankfort, please submit it as early in the morning as possible. The process requires that authorizations be entered into eMars and then separately approved and submitted to Treasury for payment. If an authorization is sent late in the day, it may not be completed in time for submittal to Treasury that night. Central Office tries to submit all authorizations the same day they are received and generally a consumer will have their check within 5-7 business days.

It is the counselor's responsibility to obtain documentation that the Non Pay cash funds provided were used for the authorized purpose. For most purchases, receipts would be the best documentation that the funds were used for the correct purpose (i.e. uniforms, food, etc.). For transportation, the Consumer Mileage Documentation Form may be completed and used to document the need for and usage of the funds in lieu of receipts. Documentation of the use of funds should be obtained within 30 calendar days of the date the consumer receives the check and **must** be obtained prior to further Non Pay Cash authorizations being produced for that individual.

Community Based Work Transition (CBWTP) Payments

Expenditures for CBWTP services must be reconciled with the schools each school year in order for OVR to count the school's share as match. For that reason, it is very important for the schools to know which school year the check is for. Since payments are not always made during the same school year that the service was provided, it is very important to include 37XX with the XX denoting the school year in the account line

of the authorization when submitted for payment. For example, services provided August 2012 through May 2013 must have 3713 in the account line.

PRIMARY VERIFICATION

State and federal laws require that purchases be reviewed to confirm that the purchasing laws and policies have been followed; that the item or service was provided and delivered; that the received date is correct and that the invoice and payment amounts match. The Kentucky Office of Vocational Rehabilitation meets these requirements by reviewing a random sample of all authorizations sent for payment. Currently, five percent (5%) of all authorizations submitted for payment are reviewed. The counselor and staff that sent the authorization for review are informed via e-mail that the particular authorization has been selected. The submitter is to scan the signed and stamped authorization, invoice and verification of delivery (first page of a report or a signed receipt, for example) to the Auth PV folder. The authorization will not be paid until the primary verification has been received, reviewed and any issues resolved.

CONTACT INFORMATION

CMS Errors Prior to Submittal for Payment	Kathy Long Mindy Yates
CMS Payment Errors, Primary Verification & Status of Payments	Sara Briggs
Bids & Quotes	Linda Weber
NonPay Cash	Sara Briggs
Vendors	Lois Carpenter
PACE/PCA Vendors	Lois Carpenter
Authorizations/Payments to Commercial Accounts, Inventory & OVR 10 forms	Linda Grubbs
General Procedures	Mindy Yates

OTHER RESOURCES

CMS Training Guide, Service Fee Memorandums, Policy and Procedures Manual – Fiscal Concerns

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