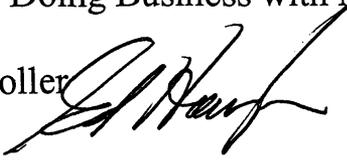


Edward Harrington  
ControllerMonique Zmuda  
Deputy Controller

**TO:** All City Departments Doing Business with Nonprofit Contractors

**FROM:** Ed Harrington, Controller 

**DATE:** May 18, 2006

**SUBJECT:** Electronic Payment Requests from Nonprofit Contractors

The purpose of this memorandum is to provide guidelines by which City departments may accept electronic payment requests from their nonprofit contractors. These guidelines were originally requested as part of Recommendation #2 of the Nonprofit Contracting Task Force report issued on June 26, 2003, which addresses methods to streamline contract approvals and increase automation of contract processes.

In addition to the automated electronic invoicing to the departments' contract management systems, such as CMS, COOL, emails and facsimiles are acceptable alternative forms of payment requests from contractors other than original, hard copy mailed requests. Departments wishing to accept electronic payment requests must submit a formal request to the Controller's Office that includes:

1. A list of contractors that are authorized to submit electronic payment requests (if the request is approved, the list will be made available to the Controller's post audit team); and
2. Department's proposed policies and procedures for receiving, tracking and processing electronic payment requests. This should include an explanation of the internal controls established by the department to ensure adequate tracking of requests and to avoid duplicate billing/payment (such as assigning a unique identifier to each invoice). Departments have the option of keeping a hard copy of the invoice for authorization and record retention, or maintaining the invoices in the automated system as long as information can be accessed on demand.

Please submit these requests to Frances Lee in the Controller's Accounting Operations and Systems Division. The Controller's Office will review and approve these procedures before departments may begin processing electronic payment requests. Generally, we will respond to requests within 10 working days.

Nonprofit contractors seeking more information about electronic payment requests should contact their department contract officer(s).