

Rehabilitation Administrative Manual (RAM)  
Chapter 11  
AUTHORIZING, ENCUMBERING, AND DISENCUMBERING

**This update includes revisions to the following sections:**

- 1100 General Requirements (02/20)
- 1110 Authorizations (02/20)
- 1111 Restricting Social Security Numbers on Authorizations (02/20)
- 1112 Authorization Process (02/20)
- 1113.1 Itemizing Purchases (02/20)
- 1114 Service Periods (02/20)
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DEPARTMENT OF REHABILITATION - STATE OF CALIFORNIA

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## ABBREVIATIONS

District staff may encounter many abbreviations while performing authorizing, encumbering, and disencumbering activities. The following list contains many of the abbreviations commonly used by the Department of Rehabilitation:

A.D.	Activity Due
A.T.	Assistive Technology
BD	Bank Draft
BFFR	Budgets, Fiscal Forecasting, and Research
BFS	Blind Field Services
C&PS	Contracts and Procurement Section
CAS	Client Accounting System
CCR	California Code of Regulations
CFR	Code of Federal Regulations
C.O.	Central Office
CES	Client Encumbering System
CIP	Centralized Invoicing Process
CIS	Client Invoicing System
DBAU	Database Administration Unit
DGS	Department of General Services
DOS	District Operations Support
DOR	Department of Rehabilitation
D-TARP	District Tools, Activities, and Resources Portal
FFY	Federal Fiscal Year
FISCAL	Financial Information System for California
IPE	Individualized Plan for Employment
I.T.	Information Technology
ITSD	Information Technology Services Division
MIOR	Medical Information of Record
OT-G	Office Technician General
P.A.	Participant Authorization
PE	Potentially Eligible
RAM	Rehabilitation Administrative Manual
RSA	Rehabilitation Services Administration
SFY	State Fiscal Year
SPT II	Supervising Program Technician II

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Abbreviations

SSA-DOS	Staff Services Analyst–District Operations Support
SSN	Social Security Number
UEL	Unliquidated Encumbrance Layout
VR	Vocational Rehabilitation
WIOA	Workforce Innovation and Opportunities Act

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#### General Requirements

#### **1100 GENERAL REQUIREMENTS (02/20)**

The Department of Rehabilitation (DOR) is committed to ensuring that federal Vocational Rehabilitation (VR) grant funds are fully utilized and liquidated in the appropriate federal fiscal year. The Central Office Accounting and Budgets, Fiscal Forecasting, and Research staff provide oversight and maintain a system for tracking and monitoring the allocation and liquidation of federal funds.

State and federal funds are time limited. Appropriate and timely authorizing, encumbering, and disencumbering are crucial activities that:

- Ensure goods and services are provided to consumers in an efficient and timely manner.
- Directly impact DOR's ability to fully utilize its available state and federal funds to provide services to individuals on their path to employment and independence.
- Allow for critical decision-making regarding funding availability.
- Provide for accurate reporting of allowable VR obligations.

The DOR shall utilize a standardized method of authorizing, encumbering, and disencumbering funds for consumer goods and services, as described in this chapter.

The DOR shall maintain a separation of duties to serve as internal control for documentation, authorization, and payment of consumer goods and services. The separation of duties is intended to divide fiscal functions, maintain the integrity of casework, and protect public funds.

District staff will follow DOR Rehabilitation Administrative Manual (commonly known as RAM) policies and related resources, including but not limited to the following:

- DOR Contracts and Procurement Bulletins
- RAM Chapter 5 Property/Equipment
- RAM Chapter 9 Procurement Policies and Procedures
- RAM Chapter 10 Accounting Fund Sources, Codes, and Records
- RAM Chapter 12 Authorizing Case Service Expenditures
- RAM Chapter 13 Invoices
- RAM Chapter 14 Accounts Receivable

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- RAM Chapter 15—Case Service Property
- RAM Chapter 16—Revolving Fund / Imprest Cash/Bank Drafts
- RAM Chapter 17—Cash Receipts
- RAM Chapter 20—Records Management
- RAM Chapter 30—Record of Services

This chapter is also designed to be used in conjunction with the [AWARE Reference Guide](#) located on the DOR intranet, and the [Accounting and Support Desk Manual Volume 1 and Volume 2](#) located on the Case Management page of the [District Tools, Activities, and Resources Portal](#).

For brevity, this chapter uses the following conventions:

- The term "consumer" is used in lieu of "eligible individuals." Policy references to "consumers" shall also apply to applicants unless otherwise specified.
- The term "individual" refers to both potentially eligible students and consumers.
- The term "Rehabilitation Counselor" refers to the Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional.
- The term "designated district staff" or "designated district support staff" refers to standard and optional actors within a VR team, DOR Student Services Team, District Operations Support team, and other authorized staff.

In accordance with federal and state regulations, the use of the words "shall" or "must," means mandatory, and the use of the word "may," means permissive. For the purpose of this chapter, the use of the word "will", also means mandatory.

For questions related to the accounting process, contact Central Office Accounting at [acctginfo@dor.ca.gov](mailto:acctginfo@dor.ca.gov).

For questions related to the procurement process, contact Contracts and Procurement at [Procurement.Section@dor.ca.gov](mailto:Procurement.Section@dor.ca.gov).

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#### **1101 Purchasing Authority Program (03/16)**

The Department of General Services (commonly known as DGS) delegates to DOR, authority to implement a purchasing program conditioned upon DOR's compliance with specific guidelines.

Acting on behalf of DOR, the Contracts & Procurement Section is administratively responsible for this purchasing authority. The purchasing authority includes “Non-Information Technology” and “Information Technology” purchases.

#### **1102 Separation of Duties (03/16)**

The separation of duties enables district staff to process vendor invoices through the Centralized Invoicing Process with maximum efficiency and accountability.

Designated district staff will perform separate duties of drafting or issuing an authorizing document and posting the invoice and payments in AWARE. The staff who creates an authorizing document may post an invoice if they did not create the authorizing document for that invoice.

Refer to Exhibit A Separation of Duties Guidelines to review a table illustrating purchasing and payment functions that cannot be combined.

#### **1103 Authorization Register (03/16)**

Designated district staff will use an Authorization Register, available in AWARE, to list services authorized for the consumer along with the expenditures and balances on each authorization.

Designated district staff will follow procedures in the Accounting and Support Desk Manual Vol. 1 when utilizing the authorization register. The Team Manager will review a consumer's Authorization Register to ensure that all outstanding case service property/equipment is properly listed and disposed.

Refer to the [AWARE Reference Guide](#), and the [Accounting and Support Desk Manual](#), for more details on using the authorization register.

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#### **1104 Procurement File (03/16)**

The Procurement file is a record of purchasing documents that provides justification for the procurement activities of DOR.

The designated district staff is responsible for maintaining the procurement file that supports all activities related to a transaction. These files will be maintained at their workstation or in a central location; in addition, these files will be made available during a compliance review or at any other time upon request by Contracts and Procurement Section.

Designated district staff will retain all procurement files in-house for a total of three fiscal years, then send the files to the State Records Center to hold for four years.

**1110 AUTHORIZATIONS (02/20)**

The DOR shall demonstrate responsible administration of the VR program through the appropriate management and oversight of authorizations and procurement records, as described in this section.

The DOR shall ensure that any goods and services provided to an applicant prior to development of an Individualized Plan for Employment, or to an eligible individual who is not yet receiving services under an Individualized Plan for Employment, are necessary to complete only the following activities:

- An assessment for eligibility and priority category when existing data is unavailable, insufficient, or inappropriate.
- A comprehensive assessment to determine the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, including the need for supported employment, for development of an Individualized Plan for Employment when existing data is unavailable, insufficient, or inappropriate.

The DOR shall not be required to pay for goods and services that are not authorized in advance by a DOR employee, except in a situation of “extreme medical risk” as defined in California Code of Regulations (commonly known as CCR) title 9, section 7160.5(c).

The DOR staff shall not verbally request a good or service from a vendor without first providing an authorizing document. A written authorization shall be made prior to the purchase of goods and services as documented in a consumer’s record of services.

The DOR shall use authorizing documents as the written authorization and agreement to provide/purchase specific goods and services for a consumer for a certain timeframe and at a specific cost. In the following list, the authorization prefix is the first part of the authorization number that is printed on the authorizing document in AWARE.

- **Bank Draft:** Use the DR 297D Purchasing Authority Purchase Order form.  
Prefix: BD

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- **Commodities:** Use the DR 297D Purchasing Authority Purchase Order form.  
Prefix: P.O.
- **Contract Group Authorization:** Use the DR 297CG Contract Group Authorization form.  
Prefix: GRP
- **Direct Service Fees:** Use the DR 297F Authorization and Invoice for Direct Service Fees form.  
Prefix: DSF
- **Group Job Coaching Client:** Use the DR 297JC Authorization for Non-Contract SE Group Job Coaching Hours form.  
Prefix: GJCC
- **Imprest:** Use the DR 297B Authorization for Vocational Rehabilitation Services form.  
Prefix: IMP
- **Medical:** Use the DR 297C Authorization and Invoice for Medical Services form.  
Prefix: Med
- **Non-Contract Group Authorization:** Use the DR 297B Authorization for Vocational Rehabilitation Services form.  
Prefix: GRP
- **Non-Medical:** Use the DR 297B Authorization for Vocational Rehabilitation Services form.  
Prefix: NMed
- **Participant Authorization:** Use AWARE to create an electronic participant authorization record.  
Prefix: P.A.

The DOR shall update authorizing documents as necessary for the administration of the VR program.

The DOR shall upload all authorizations into the State Contract and Procurement Registration System.

Refer to section 1113.1 Itemizing Purchases

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#### **1111 Restricting Social Security Numbers on Authorizations (02/20)**

In keeping in line with the effort to protect the confidential information and identity of consumers and employees, DOR will no longer print Social Security Numbers (SSN) on the following authorizing documents:

- DR 297B Authorization for Vocational Rehabilitation Service
- DR 297C Medical Services Authorization and Invoice
- DR 297F Authorization and Invoice for Direct Service Fees

For medical vendors and educational institutions that still require the social security number with the authorization, designated district staff will provide that information to them using a secure method of communication such as a phone call or an encrypted email.

#### **1112 Authorization Process (02/20)**

“*Authorization*” refers both of the following:

- The process of documenting a commitment to pay for goods and services in the future.
- The authorizing document that communicates and records the commitment.

The designated district staff will adhere to the following process to authorize goods and services:

- The Rehabilitation Counselor will use an individual's record of services case notes and Individualized Plan for Employment to document the necessity for provision of goods and services.
- The Rehabilitation Counselor or designated district staff will create an AWARE Activity Due to document the request to purchase goods and services, or to reissue a previously purchased item from the storeroom.
- Designated district staff will use an appropriate authorizing document to record the issuance of goods and services.

Team Managers and District Operations Support Managers will review Activity Dues and authorizing documents, as necessary, to ensure timeliness, accuracy, and completion.

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#### **1113 Activity Due (03/16)**

The VR team will follow a consistent statewide Activity Due format to support the effective and efficient communication of procurement information between DOR employees.

The Rehabilitation Counselor or designated district staff will perform the following actions:

- Create an Activity Due including the standardized headings provided in RAM Chapter 30 Record of Services to communicate procurement information, special instructions, and other information.
- Provide necessary clarity and specificity to allow designated district staff to accurately complete the authorizing documents for the requested goods and services.

#### 1113.1 Itemizing Purchases (02/20)

Designated district staff will itemize both the Activity Due and the authorizing document when purchasing goods and services for consumers.

As part of California's transparency efforts, DOR is required to report all purchases of goods and services, regardless of the dollar amount. Additionally, reporting all purchases of goods and services is a requirement of the delegated purchasing authority assigned to DOR. Reporting all purchases will be accomplished by registering all purchases into the State Contract and Procurement Registration System located in the Financial Information System for California website (commonly known as FISCAL). The website address is <https://fiscal.ca.gov/>.

The DOR Contracts and Procurement Section will ensure that all purchases are uploaded into the State Contract and Procurement Registration System. This will allow DOR to be compliant with the new reporting requirement set forth by the Department of General Services.

Refer to [RAM Chapter 9](#) for more details on the Financial Information System for California and the State Contract and Procurement Registration System.

**1114 Service Periods (02/20)**

Designated district staff will follow consistent policies to govern the authorization “service periods” (commonly known as dates of service).

The authorization “service period” means the begin date through the end date. The service period must not cross the state fiscal year which runs from July 1 through June 30.

The VR team will only authorize goods and services to a DOR consumer who has an open record of services. The authorization “begin date” and “end date” must fall within the period the record of services is opened and closed.

Designated district staff will determine the correct state fiscal year according to the service period. When a service is authorized in the last two weeks of the state fiscal year and the actual dates of service is unknown, designated district staff will perform the following activities:

- Encumber against the new state fiscal year. Once the invoice is received with the actual dates of service, if the actual dates of service are July 1 or later, no updates to the authorization are required.
- If the actual dates of service fall in June, encumber against the same state fiscal year of the dates of service.

**1114.1 Separating Authorizations Across State Fiscal Years (02/20)**

Designated district staff will separate authorizations to allocate consumer goods and services across state fiscal years, when necessary.

Designated district staff will separate authorizations, as follows:

- If a service is authorized at a monthly rate and overlaps the state fiscal year within five days, designated district staff will encumber and charge the service to the year in which the major portion of service falls; otherwise the amount must be split.
- If more than five days are involved, it is necessary to prorate the amount by state fiscal year for both the encumbrance and invoice, which will require separate authorizations for each state fiscal year.

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If the invoice covers services performed in two state fiscal years and the charges need to be split, designated district staff will perform the following activities:

- Make the appropriate copies of the invoice.
- Make corrections on each set of invoices listing the proper charge for each state fiscal year.
- Submit the invoices together to Central Office Accounting Services. Note on each invoice to indicate “split invoices.” Split invoices must have separate authorization numbers, one for each state fiscal year.

For the DR 297D Purchasing Authority Purchase Order, designated district staff will enter a begin date and end date in AWARE but the state fiscal year that is used for the authorization is determined by the begin date which is the date the DR 297D form is issued. All goods and services on a commodity authorization with a begin date prior to July 1 will be charged to the begin date of the state fiscal year regardless of when the goods are shipped/received, or services are provided.

#### 1114.2 Item End Dates (03/16)

This term refers to the end date for each line item within the authorization. For example, services purchased must be provided by the date shown on the Item End Date.

Each Item End Date must fall entirely within the period the authorization covers. Services must be provided by the Item End Date to which they are budgeted to or they cannot be posted.

#### **1115 Group Authorizations (03/16)**

A group authorization is categorized as either a non-contract or a contract group authorization. Designated district staff will distinguish between the purpose and nature of non-contract and contract group authorizations, their fund source assignments, and their respective authorizing documents.

Group authorizations are based on the fund source selection at authorization for services provided to a group of DOR consumers.

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Only one fund source will be permitted for each group authorization regardless of the number of consumers receiving services within a group.

The Team Manager, or a designee of the District Administrator, will monitor fund source assignments for group authorizations and will take appropriate action to ensure accurate selection.

Central Office Accounting will determine the permitted utilization of non-contract and contract authorizations and may establish additional uses as necessary to administer the VR program.

Refer to [RAM Chapter 10](#) for more information on non-contract and contract fund source assignments.

#### 1115.1 Non-Contract Group Authorizations (02/20)

A non-contract group authorization is a document that encumbers funds for services for a group of DOR consumers who are participating in a non-contract or hourly service. An invoice for non-contract group services is calculated and posted according to the actual units of service provided to each consumer, rather than a straight proration.

A non-contract group authorization is typically used to allocate supported employment group job coaching. The invoice documents the number of “allocated job coach hours” actually worked by each DOR consumer among the total individuals who were authorized on the non-contract group authorization, including DOR consumers and non-DOR (i.e., regional center) consumers who participated in the group service.

Only the following three group services may be authorized under a non-contract group authorization:

- Concur Travel booking fees for consumers.
- Group supported employment allocated job coach hours.
- Hourly services on a contract, e.g., contract Interpreting Services.

#### Concur Travel Booking Fees

The Consumer Travel Administrator, located in Central Office Accounting, will send a spreadsheet of monthly district travel charges to a designated district staff member at the end of the billing cycle. Designated district staff

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member will create a non-contract group authorization for booking fees for that month and submit it to Central Office Accounting no later than the 9<sup>th</sup> of the following month.

Refer to the [Accounting Support Desk Manual Volume 1](#) and [Creating a Group Authorization in AWARE located on the InDOR Intranet](#) for more details on Consumer Travel Booking Fees.

#### Group Supported Employment (GSE)

The Workforce Innovation and Opportunity Act (commonly known as WIOA) reinforced criteria for determining integrated work settings. Notably, group supported employment is rare because many group placements fail to meet the integrated settings criteria if they allow an individual with a disability to only work among other individuals with disabilities.

At the end of each month, the service provider will send to the District Operations Support team an invoice packet of all DOR consumers receiving supported employment group job coaching services. The designated district staff will audit the invoice packet and create the invoice in the Vendor module in AWARE to be submitted to Central Office Accounting.

Refer to the [Accounting Support Desk Manual Volume 2](#) for more details on creating a non-contract group authorization for the Supported Employment Program.

Refer to the [WIOA Guidance Circular 2017-13 Determining Integrated Work Settings](#) and the DR 380 Integrated Settings Checklist for more information details on Integrated Work Settings.

#### Hourly Services on a Contract

At the end of each month, the vendor will send an invoice packet to the District Operation Support team of all DOR consumers receiving hourly services on a contract. The designated staff member will audit the invoice packet and create the non-contract group authorization to be submitted to Central Office Accounting.

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#### 1115.2 Contract Group Authorizations (02/20)

A contract group authorization is a document that authorizes monthly invoiced contract expenses to a group of DOR consumers who are participating in contracted services. It is typically created to distribute payment for Cooperative Contract Services authorized under a “Third Party Cooperative Agreement” or an associated case service contract. An invoice for a contract service is paid according to a straight proration (or division) of service costs equally among one or more DOR consumers identified on the contract group authorization. Cooperative contracts are typically three-year contracts that are encumbered in annual “segments” (a segment represents a fiscal year) by Central Office Accounting. They are then paid based on monthly contract invoices.

Other contracted services that utilize the contract group authorizations are:

- College to Career
- We Can Work
- Summer Training and Employment Program (commonly known as STEPS)
- Foundation of California Community Colleges (commonly known as FCCC)

#### 1116 Participant Authorizations (02/20)

The participant authorization (commonly known as P.A.) is an ongoing annual authorization used to authorize all planned payments to a consumer throughout the state fiscal year for a specific fund source. It is created only one time per consumer, per state fiscal year, per fund source. Once created, the same authorization is amended to add items and payments throughout the state fiscal year.

The participant authorization is used in conjunction with the DR 253 Claim for Maintenance and/or Transportation form, which serves as an internal invoice that Central Office Accounting uses for scheduling payments.

The Rehabilitation Counselor or designated district staff will review and approve the participant authorization electronic payment requests in a timely manner, typically daily.

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Designated district staff will monitor the participant authorization to ensure future planned payments are appropriate and are sufficient to cover the period authorized. The encumbered balance should be zero after all payments have been made, or at the end of the state fiscal year.

Designated district staff will refer to the following policies when purchasing goods and services using a participant authorization that are subject to DOR prior approval requirements:

- RAM Chapter 12, Exhibit A—Services that Require Prior Approval
- RAM Chapter 12, Exhibit C—Medical Services and Purchases that Require Prior Approval

#### 1116.1 Authorized Use of a Participant Authorization (02/20)

Designated district staff will use a participant authorization only when it is not feasible to issue a State Controller's Office warrant, consumer Cal-Card, Concur Travel Account, or a Bank Draft.

Subject to a search for comparable services and benefits, and financial participation requirements, a participant authorization may be used to pay for the following:

- Maintenance "in excess of normal living expenses" (CCR) 7019). The District Administrator must approve the provision of maintenance that exceeds \$500 during any consecutive 12-month period (CCR 7177).
- Transportation necessary to enable an applicant or eligible individual to participate in a VR service (CCR 7029). The method of transportation provided must be the least costly mode that meets the special needs of the consumer; for example, issuances of a participant authorization to pay for a bus pass (CCR 7161).
- Other necessary goods and services (CCR 7174) when other methods of payment are not available, or are not feasible, contingent upon prior approval requirements.

The VR teams will use the correct procedure codes to make clear what is being authorized.

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#### 1116.2 Bid / Quote Requirements (02/20)

Designated district staff will maintain bid/quotes, as appropriate, with the participant authorization for audit purposes when purchasing goods and services over \$99.99 and under \$10,000. A participant authorization is subject to State bid/quote requirements, unless “fair and reasonable” is established, in accordance with RAM Chapter 9.

#### 1116.3 Receipts (02/20)

Designated district staff will follow the timelines described below for obtaining a receipt when using a participant authorization:

- **Reimbursements**
  - The consumer must provide receipts before issuance of a participant authorization for reimbursement of a good or service.
- **Non-Reimbursements**
  - The consumer must provide receipts within 30 days after issuing the participant authorization for payment to document that the item purchased was the item authorized. In rare circumstances the Rehabilitation Counselor or designated district staff may extend this time frame. The VR team must document in the record of services the reason a receipt cannot be submitted within 30 days.

Consumers must submit a unique itemized receipt that identifies the vendor’s name and the date of purchase. It must include a detailed list of the authorized goods or services purchased.

The following cannot be used as a receipt:

- Renewal notices
- Quotes and estimates
- Invoices not indicating payment
- Calculator tapes with handwritten date and vendor name
- Bank or credit card statements

#### 1116.4 Limitation on Purchases (02/20)

Designated district staff will not use a participant authorization for certain purchases that are subject to income tax reporting. For example, a

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participant authorization is not permitted to allow a consumer to pay in cash for services furnished by medical service providers, individual service providers, family members who provide childcare, or other service providers that would otherwise be subject to income tax reporting. Other examples include:

- Tuition
- Travel related expenses authorized through Concur Travel (airlines, hotels, and rental cars)
- Rental fees
- Moving companies

#### 1116.5 Limitations on Dollar Amount (02/20)

An Office Technician Generalist or other appropriate support staff may not add goods or services for the remainder of the state fiscal year when a participant authorization reaches a dollar amount of \$5,000. In this case, any further purchases added to the participant authorization must first be approved by the Team Manager and the District Administrator. The approved activity due will then be routed to the Supervising Program Technician II who will complete the authorizing document.

The Supervising Program Technician II may add an additional \$5,000 to the participant authorization; however, once a total of \$10,000 is reached, the participant authorization can no longer be used for the remainder of the state fiscal year.

#### Exception Process

In the case of an exception, the District Administrator may approve a temporary adjustment to the Supervising Program Technician II security template if a participant authorization will exceed \$10,000. The following steps must be followed when authorizing a participant authorization to surpass \$10,000:

1. The Supervising Program Technician II notifies the District Administrator via email of the request to exceed \$10,000 on the participant authorization.
2. The Supervising Program Technician II forwards the District Administrator's email approval to Program Policy.

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3. Program Policy emails Database Administration Unit to temporarily adjust the security template of the Supervising Program Technician II.
4. The Supervising Program Technician II creates the authorization then immediately emails Database Administration Unit to restore their original security template.

If an exception is necessary, the Team Manager will first ensure that participant authorization expenditures are being used appropriately. For example, DOR districts may not give funds directly to a consumer when a good or service can otherwise be paid through other methods such as a Warrant or Cal-card.

Refer to the following resources for procedures related to completing the participant authorization in AWARE:

- [Accounting and Support Desk Manual, Vol.1](#)
- [AWARE Reference Guide, Chapter 5.](#)

#### **1117 Authorization Backdating (02/20)**

Designated district staff will provide vendors with a written authorization for goods and services in advance. However, in order for DOR to provide uninterrupted and timely services to consumers, and ensure vendors are paid for goods and services provided, a standardized process for exceptional circumstances warranting backdated authorizations shall be used. Approval and issuance of backdated authorizations shall be closely controlled.

Prior to issuance, a backdated authorization must be approved by the Team Manager, who will perform the following processes and procedures for all backdated authorizations:

- Review the activity due and the justification for backdating of the authorization.
- Determine whether the justification warrants approval to backdate the authorization.
- If the activity due is approved, forward it to the Office Technician Generalist if the request for backdating is at or less than the time frames listed below.

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- If the request to backdate exceeds the time frames listed below, forward the activity due to the Supervising Program Technician II or Staff Services Analyst–District Operations Support to amend the authorization.

In each district, only the Supervising Program Technician II and the Staff Services Analyst–District Operations Support will have access in AWARE to override an authorization begin date for an approved backdated authorization that exceeds the timeframes below.

- Bank Draft – 0 days – No backdating allowed
- Commodity – 7 days
- Contract Group – 180 days
- Direct Service Fees – 30 days
- Imprest – 0 days – No backdating allowed
- Medical Services – 60 days
- Non-Medical Services – 7 days
- Participant – 90 days

The Office Technician Generalist will have access in AWARE to override an authorization begin date for an approved backdated authorization that does not exceed the timeframes listed above.

#### **1118 Authorizations for Concurrent Services (03/16)**

Designated district staff will process authorizations for concurrent services that may overlap or occur at the same time, as appropriate to the individual case. A consumer may receive distinct services from more than one fund source concurrently if there is a unique authorization for each separately funded good or service.

Fund source selection for concurrent services at authorization may include any combination of non-contract and contract fund sources: For example, a consumer may receive supported employment job coaching funded by the (non-contract) Supported Employment-Regional Center fund source, and cooperative employment services funded by a (contract) Transition Partnership Program Cooperative Program fund source. Two separate authorizations are necessary—each having a distinct fund source.

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#### **1120 METHODS OF PAYMENT (03/16)**

The DOR shall use the appropriate method of payment when creating an authorizing document.

A method of payment determines the means by which payment for goods and services are made. Regardless of payment, a corresponding authorizing document is required.

The methods of payment will typically follow the following hierarchy:

- [State Controller's Office Warrants](#)
- [Consumer Cal-Card](#)
- [DOR Revolving Fund](#)
- [Corporate Travel Account Visa / Concur Travel](#) (used solely for consumer travel)

#### **1121 State Controller's Office Warrant (03/16)**

A State Controller's Office warrant is the preferred method of payment for authorized consumer goods and services. After receiving an invoice, DOR has a total of 30 calendar days to submit the invoice to the State Controller's Office for a warrant.

#### **1122 Consumer Cal-Card (03/16)**

A Consumer Cal-Card method of payment is a DOR Visa credit card assigned to an approved DOR employee. It is used for payment of consumer goods and services that have been authorized by the Rehabilitation Counselor.

It is essential that the Consumer Cal-Card is not used to pay for administration purchases and conversely, that the Administrative Cal-Card is not used to pay for consumer purchases.

Contact Contracts and Procurement Section for questions and more information on becoming an approved Cal-Card holder.

**1123 Revolving Fund Overview (03/16)**

The DOR Revolving Fund is used for imprest cash, immediate payment demands, bank drafts, and participant authorizations.

**1124 Revolving Fund: Bank Drafts (02/20)**

Designated district staff will follow the guidelines below when issuing a bank draft.

A bank draft is a check issued by DOR to pay a vendor directly for consumer books and supplies, related non-refundable fees to educational institutions such as registration, parking, lab fees, etc. Additionally, bank drafts may be issued for over-the-counter purchases of goods and services for consumers, such as clothing, tools, training materials, and office supplies associated with a college/university or other educational program.

The [State Administrative Manual](#), section 8124 states that State agencies may use a bank draft for purchases that have all of the following conditions:

- Immediate payment is necessary.
- Purchase is an over-the-counter transaction.
- Supplier is reluctant to accept a sub-purchase authorization or unable to accept Cal-Card.
- Alternative payment methods are not available and are impractical.
- The dollar amount of the purchase is \$500 or less (inclusive of taxes).

Bank Drafts must be hand carried and presented by the consumer to the vendor at the time of purchase.

A bank draft is void after 60 days and will automatically disencumber at 90 days if not cashed.

Additional bank drafts may only be issued in the following instances:

- If classes were added and require additional books and supplies.
- If books are on backorder and will be paid for separately.

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The Rehabilitation Counselor and the consumer will determine the additional cost based on the actual cost or reasonable estimate using information obtained from the consumer and/or school.

A bank draft shall **not** be used for tuition or refundable fees.

Designated district staff will issue a bank draft if the cost does not exceed \$500 and it meets one of the following conditions:

- The vendor refuses to accept other forms of payment such as a DR 297D Purchasing Authority/Purchase Order form or the Consumer Cal-Card.
- The vendor charges a service fee for processing an authorization.

The following are **improper** uses of a bank draft:

- Mailing a bank draft directly to vendors.
- Using a bank draft to avoid the use of sub-purchase orders.
- Splitting purchases to avoid the \$500 limit or other control agency approved limits.

Refer to [RAM Chapter 16](#) for more detailed information on bank drafts.

#### 1124.1 Bank Draft Requirements (03/16)

Designated district staff will ensure bank draft procedures meet the requirements in the [State Administrative Manual](#).

The VR team will perform the following actions to ensure bank drafts are used appropriately as a method of payment:

- Make efforts to use a Warrant or the Consumer Cal-Card in lieu of a bank draft. The team will only use a bank draft when no other method of payment is possible.
- Work collaboratively with each consumer to facilitate timely provision of required books and supplies.
- Collect receipts for all bank drafts—including bank drafts for books and supplies—within 30 days of issuance. In rare cases, the Rehabilitation Counselor may approve a longer time due to exceptional circumstances and document the reason in the record of services.

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- Document delays in receiving receipts in the record of services.

The Rehabilitation Counselor or designated district staff will perform the following actions to collect bank draft receipts:

- Review with the consumer their responsibilities as described in their Individual Plan for Employment.
- Notify the consumer of his or her responsibilities to submit bank draft receipts within 30 days of issuance.
- Document in a record of service's case note if there are discrepancies between the authorization and the items purchased, or no receipt submitted and document the outcome of the discussion with the consumer.
- Document the reason a receipt cannot be submitted within 30 days.
- Monitor the activity due related to the bank draft in AWARE.
- Amend the specific bank draft custom activity due assigned to the designated district staff with the new due date for submission of receipts, if extended.

The Team Manager record of services review will include an examination of bank draft receipts, including those for books and supplies.

#### 1124.2 Bank Draft Documentation Procedures (02/20)

The Rehabilitation Counselor or designated district staff will perform the following actions for each consumer prior to authorization and issuance of the bank draft:

- Discuss the responsibilities and requirements for the provision of books and supplies with the consumer.
- For existing Individualized Plan for Employment, document this discussion in a case note.
- For new Individualized Plan for Employment and amendments, note the requirements as part of the "Consumer's bank draft Responsibilities."

An itemized list of books and supplies needed for the upcoming semester, quarter, or other term of training is not required. The estimated cost for books and supplies, whenever possible, will be determined by the school's

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standard allowance for books and supplies which can be obtained directly from the college financial aid office or the school's Internet site. When the estimated cost is not available from the school, the standard allowances in the chart below may be used.

STANDARD ALLOWANCES

Full Time Students (based on school's definition of full-time student, which is usually 12 + units):

SCHOOL TERM	ALLOWANCE
Quarter	\$240
Semester	\$475
+ Summer School	Use the quarter or semester rate

Part Time Students (less than full-time, based on school's definition of full-time student):

SCHOOL TERM	ALLOWANCE
Quarter	\$20 per unit
Semester	\$40 per unit
+ Summer School	Use the quarter or semester rate

**1125 Revolving Fund: Immediate Payment Demand (03/16)**

Designated district staff will issue an Immediate Payment Demand check when payment is required at the time services are rendered or when it is necessary to expedite the service. This type of payment method is typically used to make a payment to another state agency for vocational license or other required fees required as part of a consumer's participation in the Individualized Plan for Employment.

Refer to [RAM Chapter 16](#) for more details on immediate payment demand.

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#### **1126 Revolving Fund: Participant Checks (03/16)**

A Participant Check is a method of payment generated by a participant authorization and is issued to the consumer for the purchase of allowable maintenance, transportation, and other goods and services.

Designated district staff will refer to the following resources for procedures related to completing the participant authorization in AWARE:

- [Accounting and Support Desk Manual](#), Vol.1 Chapter 6, section 6.4.
- [AWARE Reference Guide](#), Chapter 5, section 5.2.

##### 1126.1 Reimbursement (03/16)

Designated district staff will issue a participant check to reimburse a consumer for a purchase made. Prior to the purchase, the Rehabilitation Counselor must have entered a case note giving the approval to the consumer to make the purchase. This is known as a “prior approval case note.” The consumer must supply a receipt before issuance of the participant check.

Reimbursement to the consumer is not allowed for medical services / devices consistent with CCR, title 9, section 7311 and 34 Code of Federal Regulations (commonly known as CFR) section 361.50. Additional approvals may be required as listed in [RAM Chapter 12, Exhibit C](#) prior to authorization.

#### **1127 Revolving Fund: Imprest Cash (03/16)**

Designated district staff will use imprest cash to provide consumers up to \$15 in any one day for miscellaneous payments.

The imprest cash fund on hand may not exceed \$100 unless a request to increase has been submitted by the District Administrator and approved by the Deputy Director. One reason the fund would be increased is if the fund routinely requires replenishment more than once a month. A safe, vault, or money chest must be used to secure the cash.

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#### 1127.1 Permissible Use of Imprest Cash (03/16)

Imprest Cash may be used for the following types of service:

- Consumer Imprest Cash – Used to provide consumers up to \$15, in any one day, for transportation purposes, necessary meals incidental to travel, and miscellaneous consumer goods and services.
- Administrative Imprest Cash – Used for minor administrative reimbursements such as office supplies, which do not exceed \$25 per vendor, per day, (excluding tax) and for employee travel expenses which do not exceed \$10. (Requires submission of a STD 262 Travel Expense Claim form.)

#### 1127.2 Prohibited Use of Imprest Cash (03/16)

Imprest Cash may **not** be used for the purchase of:

- Aspirin and personal items
- Coffee and party supplies
- Rubber stamps
- Business cards
- Printing
- Consumer medical services
- First aid supplies
- Software
- Any items available from State Contracts

Refer to [RAM Chapter 16](#), for more details on the imprest cash fund.

#### **1128 Revolving Fund Controls (02/20)**

Designated district staff will maintain revolving fund controls to ensure that revolving fund checks are not cashed multiple times.

The DOR Audit Services will notify the assigned Rehabilitation Counselor and Team Manager, via email, of instances where checks have been cashed on multiple occasions. A copy of the check in question will be provided.

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Designated district staff will perform the following actions when a check is cashed multiple times:

1. Contact the consumer within 30 days to discuss the situation.
2. Use discretion to determine whether the consumer had knowledge of the revolving fund check being cashed multiple times and whether it appears intentional or unintentional.
3. Provide guidance to ensure the consumer understands their responsibility to safeguard and appropriately utilize funds provided by DOR.
4. Create a case note in AWARE documenting the discussion.
5. Notify Audit Services of the discussion/outcome.

#### **1129 Consumer Travel Account / Concur Travel (02/20)**

Designated district staff will use the consumer travel account when authorizing travel plans for a consumer using the Concur Travel website. The Consumer Travel Account method of payment is a “card-less” account that is used solely for the purchase of consumer travel. The account is used in conjunction with the Concur Travel site to pay for a consumer’s airfare, car rental, and or hotel reservations. In addition to these travel expenses, DOR shall pay concur booking fees which are the fees charged for using this service.

#### Changing Travel Plans

Designated district staff will inform the consumer that during business hours, if they will not be able to make their flight or if any other reservation changes are needed, they should contact their counselor immediately. After business hours, the consumer should contact the CalTravelStore directly to make changes to their travel plans, the phone number is provided on the itinerary. Changes should be made only in extreme situations, for example, if the car breaks down en route to the airport or if there is an accident on the road.

Refer to the [Accounting Support Desk Manual Volume 1](#) and [Creating a Group Authorization in AWARE](#) for more details on Consumer Travel Booking Fees.

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Refer to [Frequently Asked Questions for Statewide Travel Program](#) located on the Department of General Services website for more details on changes and cancellations to travel reservations.

**1130 VENDOR SELECTION (03/16)**

The DOR shall maintain a standardized, statewide vendor records database in the AWARE vendor module.

The DOR shall use the vendor module to select vendors for the authorization of goods and services to consumers who have an open record of services in the AWARE Participant module.

To select a vendor, district staff can search vendor record's in AWARE.

**1131 STD 204 Payee Data Record (03/16)**

California requires a STD 204 Payee Data Record form to be on file for each vendor doing business with the State (see exceptions below). The completed STD 204 form must include the vendor's name, address, Federal Employer Identification Number or Social Security Number, and signature. The federal tax identification form or W-9 Request for Taxpayer Identification Number and Certification form may be used in lieu of the STD 204 for only government / public entities.

California requires that all parties entering into business transactions that lead to payments from the State must provide their taxpayer identification number as required by the State Revenue and Taxation Code, Section 18646.

In order to pay a vendor for services rendered through an authorizing document, DOR must have a completed STD 204 form from the vendor. The STD 204 form must be completed by the vendor and returned to the district office where the responsible staff member must enter the information into AWARE.

**Exception:** Federal, State, and local governmental entities including school districts and companies located outside the United States are not required to complete a STD 204 form.

Refer to the [State Administrative Manual](#), section 8422.190 for more information on the STD 204 form.

Refer to [RAM Chapter 9](#) for more information on the STD 204 form.

**1132 Vendor Requirements (03/16)**

A vendor must meet the following requirements to engage in business with DOR:

- For the purchase of goods, the vendor must possess a valid California Seller's Permit.
- For the purchase of services, the vendor must be a California resident or for nonresidents, the vendor must possess an approved Form 588 Nonresident Withholding Waiver Request form through the Franchise Tax Board.
- The vendor must not be identified as tax delinquent by the Franchise Tax Board or the Board of Equalization. If the vendor is identified as tax delinquent, they are ineligible to enter into any contract with the state for the acquisition of goods and services.
- If the vendor currently, or within the previous three years, has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company. (Refer to the Darfur Contracting Act for more information)

Refer to [RAM Chapter 9](#) Procurement for more details on requirements for vendors doing business with DOR.

**1132.1 Small Business / Disabled Veteran Business Enterprise Requirements (03/16)**

A goal of 25% of the total dollar value of departmental purchases and contracts shall be placed with small business enterprises that have been certified by the Office of Small Business and Disabled Veteran Business Enterprise service. Buyers must obtain quotes from certified Small Business, Microbusiness, or Disabled Veteran Business Enterprise vendors before placing an order with a non-small business, microbusiness, or Disabled Veteran Business Enterprise vendor.

Refer to [RAM Chapter 9](#) Procurement for more details on small business, microbusiness, or Disabled Veteran Business Enterprise vendors.

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### 1132.2 California Assistive Technologies, Services and Devices Supplier Directory (02/20)

Designated district staff will utilize the California Assistive Technologies, Services, and Devices Supplier Directory when purchasing assistive technology and related services.

The California Assistive Technologies, Services, and Devices Supplier Directory, (commonly known as the Cal-ATSD), replaced the State Price Schedule for Assistive Technology as of January 1, 2019. Vendors on the Supplier Directory are primarily used for assistive technology goods and services.

An Assistive Technology Device is any item, piece of equipment, software or system that is designed to increase, maintain, or improve the functional capabilities of individuals with disabilities. An Assistive Technology Service directly assists individuals with disabilities in the selection, acquisition, or use of an assistive technology device. Assistive Technology Devices and Services include, but are not limited to:

- Interpreter services for individuals who are deaf or hard of hearing.
- Items such as wheelchairs, height adjustable desks, power lifts, eye-gaze, head trackers and environmental controls.
- Customized computer hardware and accessories.
  - custom switches
  - keyboards
  - mouse alternatives

The objective of the Supplier Directory is to foster support of the timely delivery of assistive technology and related services. State employees with disabilities or consumers of DOR can gain the benefits of reasonable accommodation in a prompt manner due to the timely delivery of the assistive technology or related services.

Another goal is to provide a listing of qualified suppliers who provide the specialized products and services designed for individuals with disabilities.

Refer to [California Assistive Technologies, Services, and Devices Supplier Directory](#), located on the DOR internet, for more details on the Supplier Directory.

**1133 Vendor File Maintenance (03/16)**

Designated district and central office staff who are authorized to create, edit, or inactivate vendor records will maintain all vendor records located in the AWARE vendor module.

Each district's Supervising Program Technician II or Staff Services Analyst–District Operations Support will act as the district Vendor Records Technician and perform the duty of district vendor records maintenance.

Designated central office staff will maintain special registration vendors. Special registration refers to the required qualification and documentation needed for certain vendors. Records for vendors requiring special registration are not entered and maintained by the district Vendor Records Technicians; instead, they are handled by specialists trained for the specific registration type.

The district Vendor Records Technicians and designated central office staff will ensure the following district vendor records maintenance requirements are met:

- Accurate and non-duplicated vendor data is available for authorizations in AWARE.
- Services for each vendor are accurately assigned and described in AWARE.
- For special registration vendors, vendor certification or approval is obtained prior to entering the vendor in AWARE.

Refer to the [Vendor Records Overview](#) for more information on creating, editing, or inactivating vendor records.

**1140 ENCUMBERING (03/16)**

Case service encumbrances are legal commitments to purchase goods and services for DOR consumers.

When a Rehabilitation Counselor commits DOR to provide specific goods and services for consumers, the actual costs are set aside or "encumbered." If goods and services encumbered for a consumer are not provided and no legal obligation remains to pay for the goods and services, the funds are "disencumbered", and the vendor is notified when appropriate.

The DOR shall implement responsibility and accountability for compliance with encumbering policies, business processes, and procedures as follows:

- District Administrators will ensure compliance with encumbering in their respective districts.
- DOR Contract Administrators will ensure that are oriented to the cooperative program contract—and associated case services contract, if any—in their service area and the services provided within each contract.
- District Team Managers will ensure district staff compliance when encumbering funds in the staff work completed in their respective supervisory units.
- Rehabilitation Counselors and designated district staff will ensure compliance in their own work on individual records of services, and as part of a VR teams, including proper encumbering and disencumbering of funds.

Authority: 34 CFR 361.12

**1141 Electronic Encumbering System (03/16)**

The DOR shall use a dual electronic encumbering system as follows:

- Designated district staff will draft, issue, and amend authorizing documents in AWARE.
- Central Office Accounting staff will review and reconcile encumbrances through the Client Encumbering System in the mainframe.

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AWARE will electronically collect information in real time for financial and federal reporting and for required reporting to control agencies.

Information Technology Services Division will ensure proper integration between AWARE and Client Encumbering System for monitoring, liquidating, and reporting encumbrances.

#### **1142 Maintaining Encumbering Records (02/20)**

Designated district staff will follow the record retention schedule while maintaining the following encumbering records, including but not limited to:

- Case service expenditure authorizing documents ([RAM Chapter 12](#)).
- Case service property authorizing documents ([RAM Chapter 15](#)).
- Check/Bank Draft Counterfoil File ([RAM Chapter 16](#)).
- Procurement Audit file/documentation ([RAM Chapter 9](#)).

Case service records are retained for a total of five years after case closure, one year in-house and four years at the State Records Center.

Refer to [RAM Chapter 20](#) for more details on the records retention schedule.

#### **1143 Encumbering Process (03/16)**

The VR team, in collaboration with the consumer will work together to determine and provide appropriate services. The following two actions will occur prior to the encumbering process:

1. The Rehabilitation Counselor documents planned services in the consumer's Individualized Plan for Employment or pre-plan services in a case note. This action identifies goods and services that are necessary for the individual to participate in the VR program.
2. The Rehabilitation Counselor or designated district staff communicates the request for goods and services in an activity due that is sent to the designated district support staff.

Designated district staff will perform the following processes and procedures to complete the encumbering process for each authorization:

- Review the activity due request.

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- Select the appropriate authorizing document.
- Verify prior approvals.
- Create and issue the authorizing document in AWARE.
- Follow purchase authority and procurement guidelines.
- Accurately select the appropriate fund source (budget) at authorization.
- Accurately select service categories, procedure categories and procedure codes.
- Accurately select the appropriate vendor record.

The Team Manager will monitor the encumbrance process to ensure compliance with the processes and procedures in this section.

Refer to the [Accounting and Support Desk Manual](#) and [AWARE Reference Guide](#) for procedures on creating authorizing document.

#### **1144 Encumbrance of Non-Leveraged Procurement Agreement Purchases (02/20)**

Designated district staff will ensure all Non-Leveraged Procurement Agreement (commonly known as Non-LPA) purchases of \$10,000 or more are forwarded to Contracts and Procurement to initiate the solicitation phase of the procurement process.

The following are examples of Non-LPA purchases \$10,000 or more:

- Tools and equipment
- Storage units
- Website design services
- Marketing and advertising services
- Printing/Art services
- Medical goods and services (excluding Medi-Cal rates)
- Editor/Publisher services

Designated district staff will forward the activity due for Non-LPA purchases of goods and services \$10,000 or more (including tax and shipping), prior to soliciting quotes, to the assigned Contracts and Procurement Section

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Procurement Analyst for processing. The analyst will initiate solicitations using the Non-LPA solicitation template approve by the Department of General Services Procurement Division. After the solicitation process has been completed, the Procurement Analyst will forward the solicitation package back to the designated district staff to complete the procurement process.

Refer to [RAM Chapter 9](#) for more details on Non-Leveraged Procurement Agreements of \$10,000 or more.

#### **1145 Fair and Reasonable Pricing (02/20)**

Designated district staff have the ability to use the fair and reasonable pricing method for purchases up \$9,999.99. The dollar threshold for fair and reasonable was increased from \$4,999.99 to \$9,999.99. This was done to streamline the procurement process and ensure consumers receive items needed in a timely fashion.

The increase in fair and reasonable affects both consumer and administrative purchases for both Non-Information Technology and Information Technology goods and services.

Refer to [RAM Chapter 9](#) for more details on Fair and Reasonable Pricing.

#### **1146 RSA Prior Approval (02/20)**

The Office of Special Education and Rehabilitative Services is granting prior approval for certain expenditures for the following two direct cost categories:

- Participant support cost (PSC)
- Equipment

#### Participant Support Cost

Participant support costs, as defined in the Uniform Guidance, 2 Code of Federal Regulations (CFR) 200, are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (state employees not included) in connection with conferences or training projects.

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Designated district staff will no longer need to request prior written approval for any participant support costs that do not exceed \$5,000 per individual participant or trainee per conference training or event. Additionally, prior approval is not required for vendors or committee quarterly meetings if the cost for travel for any individuals involved does not exceed \$5,000 per person per event.

Designated district staff will request prior approval if participant support costs exceed \$5,000 per individual participant or trainee per conference training or event.

For additional questions on participant support costs, please contact the Contracts and Procurement Section [Procurement.Section@dor.ca.gov](mailto:Procurement.Section@dor.ca.gov). For questions regarding participant support costs for third-party cooperative agreements, please contact the Cooperative Programs Section at [DOR Cooperative Programs Unit](#).

### Equipment

Equipment is defined in 2 CFR, Section 200.33, as an article of tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

Designated district staff will no longer be required to request prior approval for consumer equipment purchases that are required under an Individualized Plan for Employment; however, prior approval will be required when the following situations occur:

- The purchase of general-purpose equipment under the Supported Employment program. An aggregate request allowance may be submitted.
- When the renovation or alteration of facilities in connection with the acquisition of a Business Enterprise Program (commonly known as BEP) vending facility or the installation of BEP equipment in accordance with section 103(b)(1) of the Rehabilitation Act.

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- When non-Federal funds will be used to pay for the equipment that is not purchased under the VR program in accordance with an eligible individual's Individualized Plan for Employment.

For additional questions on equipment purchases, please contact the Contracts and Procurement Section [Procurement.Section@dor.ca.gov](mailto:Procurement.Section@dor.ca.gov).

#### **1147 Encumbrances Covering Two Fiscal Years (03/16)**

Encumbrances are typically created for the current state fiscal year, ending June 30. However, if a service crosses two state fiscal years, designated district staff will create a new authorization for the next state fiscal year.

#### **1148 Encumbrances and a Single Fund Source (03/16)**

An authorization may not have multiple fund sources. Designated district staff will create an authorization with only one fund source. Group authorizations that provide services to more than one consumer must all have the same fund source.

#### **1149 Encumbrance Amendments (03/16)**

Designated district staff will amend an authorization if actual paid costs for any good or service is greater than the amount encumbered and is determined to be an allowable increase. An amendment is not required if the cost of shipping and handling exceeds the authorized amount within the \$20 limit. Amendments, cancellations, and corrections shall be made for current and one carry-over state fiscal year data only. The following rules apply:

- If an authorization is in **Draft** status an amendment to the amount encumbered can be made before the authorization is issued.
- If an authorization is in **Void** status it must be opened before an amendment to the amount encumbered can be made.
- If an authorization is in **Closed** status designated district staff shall check to see if a payment matching the invoice has already posted and released prior to reopening the authorization to amend the amount encumbered.

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- If an authorization is in **Canceled** status it must be reopened before an amendment to the amount encumbered can be made.

The Rehabilitation Counselor or designated district staff will perform the following actions when requesting an amendment:

- Obtain appropriate approvals prior to requesting to add funds or change an authorization service period.
- Notify the appropriate district support staff through an activity due that an amendment to the amount encumbered for a good or service on an authorization is needed.

Designated district staff will amend the amount encumbered on the authorization.

Designated district staff will review all encumbrances monthly for accuracy and possible disencumbering.

The Team Manager will monitor encumbrance amendments to ensure compliance with the processes and procedures in this section.

**1150 CASE TRANSFER ADJUSTMENTS (03/16)**

When a consumer's record of services is transferred from one district to another, DOR shall ensure encumbrance adjustment requirements are met before completing the transfer.

**1151 Intra-District Transfers (03/16)**

When a consumer's record of services is transferred within a district, encumbrance transfers will occur automatically at the time the record of services is statistically transferred. No adjustment is required for encumbrances transferred within the district.

**1152 Inter-District Transfers (03/16)**

When a consumer's record of services is transferred between districts, designated district staff in the sending district will perform the following actions:

- Obtain an on-line Authorization Register.
- Disencumber all outstanding encumbrances for services still pending except for a participant authorization.
- Make appropriate notations of action taken and file the Authorization Register in the record of services.
- Provide the receiving district with sufficient information to maintain continuity of services in the transfer case note.
- Process outstanding invoices at time of transfer.

The Team Managers of the sending and receiving districts will monitor inter-district transfers to ensure compliance with the processes and procedures in this section.

**1153 Case Service Contract Encumbrances (03/16)**

Central Office Accounting staff will encumber and disencumber case service contracts, as necessary.

**1160      DISENCUMBERING (03/16)**

The DOR shall ensure disencumbering occurs timely and with sufficient lead time to allow for the reutilization of funds for the authorization of goods and services. As federal grant funds are time limited, DOR shall ensure vendors submit invoices timely and outstanding encumbrances are followed up on at regular intervals.

The following standards shall be applied:

- Invoices shall be submitted by vendors within 60 days from the date the goods and services were provided in order to be paid from the appropriate federal funds.
- Authorizations still outstanding, and for which it is known that the goods and services will not be provided, shall be disencumbered.
- Authorizations outstanding for goods and services that were provided will need follow-up with vendors to ensure invoices are submitted timely for payment.

The DOR shall utilize a standardized process for disencumbering to ensure appropriate utilization of federal and state funds. District Administrators will ensure that staff track and monitor encumbrances and expenditures. The Rehabilitation Counselor or designated district staff will enter a case note explaining any disencumbered monies and the reason that services were discontinued. This monitoring ensures that funding is available to support DOR consumers.

The DOR shall disencumber funds immediately when any of the following actions occur:

- A consumer discontinues services under their Individualized Plan for Employment.
- An authorization will not be used in its entirety.
- A participant authorization or bank draft is no longer needed or a change in the Individualized Plan for Employment service or vendor occurs.
- The amount authorized, or date of service is in excess of what will be needed.
- The record of services is closed.

**1161 Disencumbering Monitoring Tools (02/20)**

Team Managers will work with their designated district staff to conduct monthly reviews of encumbrances and expenditures to ensure VR program compliance.

Designated district staff will complete monthly reviews of encumbrances and expenditures in the first week of each month. The following reports and layouts may be used to identify disencumbering needs and needed follow up with vendors for invoice submission:

Unliquidated Encumbrances Layout:

The Unliquidated Encumbrances Layout, available in AWARE, is an important tool to view outstanding authorizations. Designated district staff will use this layout to locate and disencumber authorizations that should be canceled or for appropriate follow-up with the vendor if information has been received that the consumer received the goods and services. This will ensure timely disencumbering and use of VR funds, and timely payment to vendors for goods and services provided.

Auto Age-Off Report:

The Auto Age-off Report, available in AWARE, is a tool to view and monitor automatically aged off authorizations, after 90 days from the End Date, if there have been no adjustments or invoices posted to avoid reverted year payments, that no longer show on the Unliquidated Encumbrances Layout. The report allows districts to analyze auto-disencumbered items from the previous month and follow up with the vendor as to whether goods and services authorized were provided and should have been invoiced by the vendor. This process assists in eliminating federal reverted year invoices.

Authorization Register:

The Authorization Register, available in AWARE, lists all the services authorized for the consumer along with the expenditures and balances on each authorization. Designated district staff will:

- Review the register at least quarterly during the life of the record of services to identify unneeded goods and services to be disencumbered. Review the register to disencumber all outstanding

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balances at time of record of services closure or when transferring a record of services to another district.

Year to Date Bank Drafts by District Report (AWARE)

The Year to Date Bank Drafts by District Report, available in AWARE, provides information for bank drafts that were issued in the AWARE Checkwrite system. The Year to Date Bank Drafts by District Report is available on the first working day of the month. Designated district staff will print and review the report each month.

The following table shows specific areas to be monitored and corresponding monitoring instructions on how to use the reports.

<b>Areas to Monitor</b>	<b>Bank Draft Report</b>
Splitting the amount between two bank drafts to circumvent the \$500 limit as specified in <a href="#">the State Administrative Manual</a> .	Are sorted by district, counselor, and consumer to enable the reviewer to identify possible bank draft splitting requiring further analysis.
Bank drafts that have been encumbered but have not been cashed.	For bank drafts with zero dollar amounts in the “Cashed Amount” column and a date in the “Auto Closed Date”, the reviewer should notify the rehabilitation counselor to ascertain and document in a case note why the bank draft was never used.
Improper use of bank draft including: using bank drafts to avoid the use of a purchase order, or using bank drafts when an alternative payment method is preferred as specified in <a href="#">RAM Chapter 12</a> .	The bank draft report is sorted by “Client Name”; therefore, the reviewer is able to identify the number of bank drafts issued for the same consumer and the same vendor. Also, utilizing the Vendor Names provided, the reviewer can follow up on whether the vendor accepts a Warrant or Cal Card.

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Areas to Monitor	Bank Draft Report
Bank drafts that are cashed for exactly \$500.	<p>The bank draft report identifies the original encumbrance and the expenditure amount after the bank draft has been cashed.</p> <p>Bank drafts shall be used for the exact purchase amount. The report will help identify bank drafts cashed for exactly \$500 for further analysis and action as appropriate.</p>
Bank drafts that are over-encumbered or encumbered based on the maximum allowable amount of \$500.	The report is sorted by district and counselor and provide the original encumbered amount and the expended (cashed) amount. The reviewer is able to monitor bank drafts continually over-encumbered or encumbered based on the maximum allowable amount and follow up as appropriate.
Dates identified in the “Void Date” column must be the same date as identified in the “Printed Date” column to be a true void. Otherwise, if after the print date, it is determined that it will not be cashed, it shall be manually disencumbered.	The report provides a Printed Date, Void Date, Reprinted Date, and Auto Closed Date. This information allows the reviewer to determine whether the bank drafts with a date voided entry were a true void.

**1162 Automated Disencumbering (03/16)**

Designated district staff will utilize a consistent statewide automated process to disencumber unused authorized funds. This process shall ensure timely disencumbering of medical and non-medical goods and services, and bank drafts.

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### Disencumbering

If designated district staff becomes aware of an authorization that will not be used the following actions will occur:

- Designated district staff will disencumber the authorization immediately. They shall not wait for automatic disencumbering.
- The Rehabilitation Counselor will enter a case note explaining why the service was not used.

All authorizations are included for automated disencumbering except the participant authorization and imprest cash.

#### 1162.1 Automatic Disencumbering of Goods and Services (03/16)

Designated district staff will utilize the following automated disencumbering process for authorized goods and services:

- A batch process will run monthly to scan the entire AWARE system for open authorizations that have reached 90 days after the authorization end date during the preceding month.
- For those authorizations, the batch process checks the associated encumbrance to see if there has been any activity.
- If there has been no activity, the batch process will automatically disencumber and cancel the authorization.

#### 1163 Final and Partial Payment Feature (03/16)

The invoicing functions in AWARE provide for control of the automated disencumbering of associated encumbrances. Upon posting an invoice payment request, designated district staff will select either Final or Partial Payment in accordance with the [AWARE Reference Guide](#), Chapter 5, section 5.3 to ensure case service funds are disencumbered appropriately.

Designated district staff will adhere to the following requirements:

- Select Final Payment to disencumber the balance of an associated line item on an authorization.
- Select Partial Payment to retain the remaining balance on a line item for use of subsequent payments.
- Use the verification of goods and services function in AWARE to verify if disencumbering is appropriate for a specific authorization.

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The District Operations Support team will coordinate with the VR team to ensure there is sufficient information to select the appropriate payment action, i.e. Final or Partial Payment.

**1164 Closed Record of Services (03/16)**

At the time of record of services closure, designated district staff will perform the following actions:

- To ensure that services are not provided to the consumer after record of services closure, cancel all recurring planned participant authorization payments.
- Complete appropriate disencumbering.
- Ensure all authorizations are closed or canceled. This may require contact with the vendor to discontinue services as of the record of services closure date and to request outstanding invoices be submitted.
- File the Authorization Register that is attached to the closure report.
- Make appropriate notations as to action taken in the consumer's record of services.

Team Managers will monitor disencumbering at record of services closure to ensure compliance with the processes and procedures in this section.

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Records and Forms

#### **1170 RECORDS AND FORMS (02/20)**

##### **Authorization Register**

The Authorization Register is a financial report in AWARE that lists all the VR services and commodities provided to a consumer.

##### **Bank Draft Report (AWARE) - Year to Date Bank Draft by District Report**

The Year to Date Bank Draft by District Report is a report in AWARE used to view bank drafts that were issued in the AWARE Checkwrite system.

##### **DR 229A Closure-Rehabilitated form**

The DR 229A is a letter provided to a consumer when their record of services is closed.

##### **DR 229B Closure-Other Than Rehabilitated form**

The DR 229B is a letter provided to a consumer when their record of services is closed.

##### **DR 253 Claim for Maintenance and/or Transportation form**

The DR 253 form is used as a record for controlling and tracking services provided through a participant authorization.

##### **DR 297B Authorization for Vocational Rehabilitation Services form**

The DR 297B form is used to purchase non-medical services or consumer goods and non-contract group authorizations.

##### **DR 297C Medical Services Authorization and Invoice form**

The DR 297C form is used to purchase medical services, dental services, medical equipment / device repairs, medical records, and medical evaluations, and medical goods.

##### **DR 297D Purchasing Authority Purchase Order form**

The DR 297D form is used to purchase non-medical goods other than extended warranties within DOR purchasing authority, medical goods, and for bank drafts.

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#### Records and Forms

#### **DR297F Authorization and Invoice for Direct Service Fees form**

The DR297F form is a dual-purpose form, which will authorize fixed-cost fees or act as an invoice that field staff can print when a vendor does not provide an invoice.

#### **DR297JC Authorization for Non-Contract Se Group Job Coaching Hours form**

The 297JC form is used to authorize hours for Non-Contract SE Group Job Coaching Services.

#### **DR 812 Fiscal Review and Approval Request form**

The DR 812 form is used for approval of each consumer case service purchase request over \$20,000 and administrative purchase requests over \$5,000.

#### **STD 204 Payee Data Record form**

The STD 204 form is a form a vendor must complete in order to do business with California. The form includes the vendor's name, address, Federal Employer Identification Number or Social Security Number, and signature.

#### **Unliquidated Encumbrances Layout**

The Unliquidated Encumbrances Layout is a layout in AWARE used to view outstanding authorizations.

#### **W-9 Request for Taxpayer Identification Number and Certification form**

The W-9 form is an Internal Revenue Service form that government / public entities may submit in lieu of a STD 204 in order to do business with California. The form includes the vendor's name, address, Federal Employer Identification Number or social security number, and signature.

**1180 DEFINITIONS (03/16)**

This section provides definitions pertaining to DOR policies for authorizing, encumbering, and disencumbering.

**Activity Due:** An electronic communication in AWARE from one person to another requesting some record of services action to be performed using a required format.

**Amendment:** For the purposes of this chapter, amendment refers both to (1) the process of adjusting an authorization; and, (2) the document that communicates and records the amendment.

**Authorization:** Refers both to (1) the process of documenting a commitment to pay for goods and services in the future; and, (2) the document that communicates and records the commitment.

**Authorizing Document:** A written commitment to pay for a specific good or service for a consumer during a particular timeframe and at a specific cost.

**Bank Draft:** A type of revolving fund payment authorized and printed by DOR with payment guaranteed by the bank. Its function is very similar to a cashier's check.

**Budget:** Refers both to (1) an estimate of income and expenditure for a set period of time; and, (2) a set allocation of funds for a particular program or service, generally within a state fiscal year. Also see Fund Source.

**Client Accounting System:** Encompasses the Client Encumbering System and Client Invoicing System. It is located on the DOR mainframe, outside of the AWARE system. AWARE communicates with Client Accounting System via program interfaces.

**Commodity:** Durable goods. In AWARE, "commodity" is an authorization type used to purchase goods.

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### Definitions

**Dates of Service:** The term is commonly known as the “service period” or “service dates,” and refers to the begin date through the end date of an authorization.

**Disencumbering:** The process of canceling all or any portion of encumbered (obligated) funds that were originally authorized and committed for the procurement of goods and services.

**Encumbering:** The process of securing funds, obligated by an authorization in AWARE, for the purpose of procuring consumer goods and services.

**Expenditure:** Refers to the dollar amount of the actual payment made to a vendor or consumer as the result of an encumbered authorization.

**Fiscal Year:** The 365-day period of time defined for budgeting and accounting purposes. The DOR references two types of Fiscal Years: state and federal. The state fiscal year begins on July 1 and ends on June 30 of the following calendar year. The federal fiscal year begins on October 1 and ends on September 30 of the following calendar year.

**Fund Source:** Refers to an allocated sum of money for a specific VR program or service. The term “fund source” is synonymous with the term “budget” in AWARE at authorization.

**Fund Source Assignment:** Refers to the assignment of one or more fund sources that are available to a particular consumer for the purchase of goods and services.

**Imprest:** Refers to cash on-hand in offices to provide consumers with small amounts of cash to pay for goods and services. Imprest cash is periodically replenished through the revolving fund to restore the full cash on-hand amount.

**Item Begin Date:** The first date in which each line item within the authorization, whether it is a good or service, may begin. The item begin date must not occur prior to the authorization begin date.

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### Definitions

**Item End Date:** The last date in which each line item within the authorization, whether it is a good or service, must be completed. The end date must not go beyond the date the authorization covers.

**Medical:** Refers to (1) the practice of medicine, or something done or received in regard to the state a consumer's health; and, (2) the AWARE authorization type used to authorize the purchase of prescribed medical goods or procedures.

**Non-Medical:** Refers to the AWARE authorization type used to authorize the purchase of services (e.g., tuition, employment services, etc.), other than medical.

**Participant:** For the purpose of this chapter, participant refers to an AWARE authorization type used to authorize the issue of planned payments directly to a consumer.

**Payment:** Refers to the funds paid to a vendor in exchange for goods and services received.

**Planned Payment:** Refers to a request added to a participant authorization to provide a consumer with funds to pay for maintenance, transportation, and other goods and services when appropriate.

**Planned Services:** Refers to the itemization of service categories and procedure categories in AWARE as part of a consumer's Individualized Plan for Employment.

**Prefix:** The authorization prefix is the first part of the authorization number. It is printed on the authorizing document and is also used in AWARE to identify the authorization type to be selected (e.g. MED, NMED, etc.).

**Procurement File:** The Procurement file is a record of purchasing documents that provides justification for the procurement activities of DOR.

**Spanner:** Spanner refers to a field at the bottom of an authorizing document that includes information specific to the authorization

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Definitions

including District, Status, Caseload, (when required) Social Security Number, Account Code, Amount, Procedure Code, Date of Service, Fiscal Year and Contract/Special Program, as applicable.