



STATE OF ILLINOIS  
COMPTROLLER  
JUDY BAAR TOPINKA

# ACCOUNTING BULLETIN

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TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Assistant Comptroller - Operations

DATE: October 7, 2011

SUBJECT: Mandated Direct Deposit – Public Act 97-0348

NUMBER: 173

Public Act 97-0348 amended the State Comptroller Act (15 ILCS 405). This amendment requires all State payments for a State employee's expense reimbursements (e.g., travel vouchers) **must be made through direct deposit**. This amendment also requires all State payments to a vendor that exceed the allowable limit of paper warrants in a fiscal year, by the same agency, **must be made through direct deposit**. It is the responsibility of the paying State agency to ensure compliance with this mandate. The Illinois Office of the Comptroller (IOC) may charge a processing fee of \$2.50 per transaction for non-compliance.

## **State Employees' Expense Reimbursements**

SAMS will verify that all payments against detail object codes 1202, 1249, 1264, 1276, 1291, 1292 and 1702 are made through direct deposit. If the payment is not made through direct deposit, then the State employee's expense reimbursement will be reduced by a \$2.50 processing fee. State employees can submit a hardship petition requesting an exemption from the direct deposit mandate. If an employee has already submitted and been approved for a hardship petition for their State payroll (pursuant to Payroll Bulletin 3-11), that hardship petition would also cover their expense reimbursements. The IOC will notify State agencies prior to enforcing the processing fee.

## **Vendor Payments**

The allowable limit of paper warrants in a fiscal year, by the same agency, cannot be set at less than 30 paper warrants per Subsection (c) of 15 ILCS 405/9.03. The IOC will notify State agencies of the actual allowable limit prior to enforcing the processing fee.

The IOC has developed an implementation plan that includes conducting focus groups aimed at improving information available to vendors, re-engineering the Vendor Payment section of the Comptroller's website, modifying SAMS to meet these new requirements, developing a hardship petition process and notifying vendors and State agencies. The processing fee will not be applied until the implementation plan is fully executed.

Subsection (f) of 15 ILCS 405/9.03 exempts State agencies and other governmental entities from the definition of "vendor".

Subsection (g) of 15 ILCS 405/9.03 exempts the legislative and judicial branches of State government from the requirements of Section 9.03.

If you have any questions concerning this bulletin, please contact Marvin Becker, Director of State Accounting at (217) 782-7078. Agencies may access this and other Accounting, Payroll and SAMS Bulletins on the Comptroller's website at [www.ioc.state.il.us](http://www.ioc.state.il.us) under Resource Library.