



# State of Arizona Accounting Manual

Topic 90 Special Topics  
Section 05 **Continuity of Operations**  
**Employee and Vendor Payments**

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## INTRODUCTION

Any number of events—natural, man-made, budgetary, legal, etc.—could interrupt the normal operations of the Government of the State of Arizona. Some of these events could be of such short duration or limited impact that the effects of the interruption are minimal or even pass unnoticed by most. Others, however, could result in fairly long or wide ranging suspensions of certain types of activities. The delay of some activities would be inconsequential, but the delay of others calamitous.

Among the activities for which the GAO is to a greater or lesser extent responsible are the processing of payments to employees and vendors. The consequences of a significant delay in paying either vendors or employees could be dire.

It is impossible to predict the occurrence, nature or duration of an interruption event. It is equally impossible to define with any meaningful and non-arbitrary specificity the terms short-term, intermediate-term and long-term as they may involve different, sometimes overlapping, durations depending upon the underlying operations to which they may be applied. It is nonetheless desirable to establish certain policies, procedures and guidelines that may mitigate the negative effects of an interruption event should one occur. It is to that end this section of SAAM is written.

## POLICY & PROCEDURES

1. For short-term interruption events, the following apply:
  - 1.1. In the case of vendor warrants, no special, statewide actions will be taken. In the case of vendor payments, the delay of which would endanger human safety or incur significant financial penalties, agencies may, if possible under the then prevailing circumstances, contact the GAO to arrange for the production of a handwrite.
  - 1.2. In the case of payroll, while there may be a minimal delay in producing and distributing a payroll, no special, statewide actions will be taken. This will largely depend on the timing of the interruption event within the pay period.
2. For intermediate-term interruption events, the following apply:
  - 2.1. Vendor payments will be made by agencies using their P-Card(s).

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- 2.1.1. This means that every agency must have one or more P-Cards. If any agency does not currently have a P-Card, it must acquire one for one of its staff immediately. Acquiring a P-Card is accomplished by:
- 2.1.1.1. Having agency management and any staff to be issued a P-Card familiarize themselves with those sections of SAAM dealing with P-Cards.
  - 2.1.1.2. Filling out the P-Card Enrollment Package found on the GAO Website at <https://gao.az.gov/afis/purchasing-cards> and forwarding the completed package to [afis.operations@azdoa.gov](mailto:afis.operations@azdoa.gov).
  - 2.1.1.3. Having the agency employee or employees to whom a P-Card is to be issued fill out a P-Card Cardholder Agreement, Form GAO-PC-101, found on the GAO Website at <https://gao.az.gov/afis/purchasing-cards>.
- 2.1.2. Since P-Cards are issued to a named individual and not to the agency itself, the agency head or his delegate is responsible for making sure, given turnover in personnel, that the agency has at all times at least one staff member with a P-Card in his possession. In the case of larger agencies, the number of current P-Cards should be increased to one for each division.
- 2.1.3. In the event of the prospect of an intermediate- or long-term interruption event, the GAO will automatically raise agency normal P-Card limits to the applicable, pre-approved emergency limits.
- 2.1.3.1. An agency requests its emergency P-Card limit using an Agency/Division Emergency P-Card Limit Request, Form GAO-COOP-101, found on the GAO Website at <https://gao.az.gov/publications/forms>. These forms should be used to request or change an agency's emergency P-Card limit.
  - 2.1.3.2. The P-Cards of those individuals not named on the Form GAO-COOP-101 may, at the discretion of the GAO, be suspended during the interruption event as an internal control measure.
  - 2.1.3.3. The GAO will make arrangements with the State P-Card contractor to directly discharge balances when due, drawing against division, agency or State funds as necessary under the circumstances. A reconciliation, reallocation and adjustment process is likely to be required after resumption of normal operations.
  - 2.1.3.4. All P-Card expenditures made during an interruption event are to be recorded weekly using the Form GAO-COOP-102. These forms are to be completed no less frequently than monthly and are to be retained by the agency until they can be forwarded to the GAO electronically. The Form GAO-COOP-102 is available on and may be downloaded from the GAO Website at <https://gao.az.gov/publications/forms>.

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- 2.1.3.5. P-Card expenditures relating directly to the management of or the recovery from the interruption event that may be recovered from FEMA are to be entered into DEMA's LEMO Forms, which can be retrieved from the GAO Website at <https://gao.az.gov/publications/forms>.
  - 2.1.3.6. The increase of P-Card limits is not to be construed as an increase of spending authority.
  - 2.1.3.7. When the interruption event is concluded, P-Card limits will be returned to normal.
  - 2.2. Employee payments will be made as accurately and timely as possible during any interruption event:
    - 2.2.1. If the GAO has communicated to agencies that it has access to HRIS or ETE while agencies do not, agencies are to submit a completed Form GAO-COOP-103, Business Interruption Employee Time Report, an electronic spreadsheet, available on the GAO Website, at <https://gao.az.gov/publications/forms>. These forms are to be completed and forwarded by whatever means available (electronically by email to [central.payroll@azdoa.gov](mailto:central.payroll@azdoa.gov), if at all possible, by hard copy to the GAO, if not) so as to reach the GAO not later than the close of business on the last day of the pay period upon which the form is reporting.
    - 2.2.2. If neither the GAO nor agencies have access to HRIS or ETE, the GAO will direct the State's servicing bank or other approved and then functioning information technology resource to rerun the prior pay period's payment records. This will inevitably result in a limited number of overpayments, underpayments, non-payments, incorrect leave balances, improper reimbursements, etc. These inaccuracies will be corrected as soon as practicable after the resumption of normal operations.
    - 2.2.3. Employees' time recorded on the Form GAO-COOP-103 relating directly to the management of or the recovery from the interruption event that may be recovered from FEMA are to be entered into DEMA's LEMO Forms, which can be retrieved from the GAO Website at <https://gao.az.gov/publications/forms>.
  3. The procedures outlined above will, in the event of a long-term interruption event, continue until the resumption of normal operations.
  4. The GAO will make every attempt to communicate with agency management and accounting and payroll personnel during interruption events.
  5. Though access to AFIS and HRIS may be curtailed during interruption events, agencies are nonetheless cautioned to keep track of payroll, ERE, as well as other expenditures and obligations during such times to prevent exceeding their legal spending authority.