



Senate Bill 441

An Act Requiring Certain State Payments to Vendors Be Made by Check or Electronic Transfer

Testimony of Commissioner Melody A. Currey

Government Affairs and Elections Committee

March 18, 2016

The Department of Administrative Services (DAS) shares the following concerns regarding Senate Bill 441, An Act Requiring Certain State Payments to Vendors Be Made by Check or Electronic Transfer.

Section 1 of Senate Bill 441 states "Unless otherwise requested by the recipient, each state agency shall pay for contractual services and purchases of, and contracts for, supplies, materials and equipment by check or electronic direct deposit to the recipient's account in a bank, Connecticut credit union or federal credit union that has agreed to accept such payment on behalf of the recipient." DAS understands that the intent of this bill is not to prohibit state agencies from using the State's credit card, commonly referred to as the State's P-Card to make their purchases. DAS is concerned, however, that such a prohibition could be inferred from a strict reading of this language.

While agencies do not and should not use the P-Card for all purchases, the P-Card is a valuable payment option for agencies. Using a P-Card is often the simpler and more efficient tool for paying the State's vendors because it allows the State to pay vendors quickly and may reduce the time and effort required to process invoices. Moreover, the General Fund is the beneficiary of the significant rebates the State receives under our P-Card contract: the rebate for Calendar Year 2014 was \$990,039.72 and rebate for calendar year 2015 is estimated to be approximately one million dollars.

DAS welcomes the opportunity to continue discussions with the Committee and other stakeholders to ensure that Senate Bill 441 does not result in the prohibition of the use of the P-Card.