



## MEMORANDUM

TO: Agency Heads, Chief Fiscal Officers, and Chief Information Officers

FROM: James P. Sledge 

DATE: November 9, 2009

SUBJECT: Technology Fund Cash Flow Issues

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The CMS Bureau of Communications and Computer Services ("BCCS") is committed to provide your agency with cost effective and timely delivery of technology services. To accomplish this, it is critical that BCCS receive timely payments of all agency invoice charges for delivery of these services. As a reminder, BCCS does not receive direct funding from the legislature to cover critical operating expenses such as payroll, lease payments, IT infrastructure procurements, maintenance, etc. Unfortunately, the combination of existing and potential future agency payment delays and General Revenue Fund payment holds are affecting BCCS ability to effectively provide many of our services.

Because of this we are implementing the following measures to assure that BCCS has adequate cash flow to meet critical obligations:

- 1) BCCS often must pay for technology purchases for Agency projects up front while recovering the costs through billings over a long period of time. BCCS may not be able to make these types of purchases in a timely manner this fiscal year; therefore agencies should plan on longer cycle times to complete projects. In addition, BCCS must comply with the Governor's Office cost cutting measures and guidelines for agency procurement, which may cause additional delay or possibly prohibit some purchases.
- 2) BCCS is attempting to reduce overtime costs for non-shift areas, so the time to complete service requests for repairs and installations may be longer than in the past. If you need enhanced or expedited services, BCCS will work with you to secure outside resources, but at an additional cost to your agency.
- 3) Because timely agency payments are necessary to meet obligations, BCCS will not be able to purchase goods or services for Agencies that become delinquent

in their payments. Project-related purchases, such as servers for new applications or new phone systems will be effected; not standard or recurring services. Additionally, large purchases made on behalf of an Agency may require confirmation in writing from your Agency head or CFO that you will be able to pay BCCS for these products and/or services in a timely manner.

Please be assured that BCCS will make every effort to meet your ongoing IT and telecommunication needs. We appreciate your patience and understanding as we work through these challenging times. If you have any questions, please contact Ted Hasara at (217) 557-1966.