



The Division of Financial Operations (DFO) is committed to providing supports and services to schools, Borough Field Support Centers, clusters, central and field offices, and all DOE employees.

As part of this commitment, the Central Business and Finance Office (CBFO) within DFO created the following list of Frequently Asked Questions regarding the Small Item Payment Process (SIPP).



SIPP: Frequently Asked Questions

Angel Lopez
Chief Administrator

65 Court Street, Room 1001
Brooklyn, NY 11201
718 935 2841 Tel
718 935 2507 Fax

General Overview

Q. What is a SIPP?

A. SIPP, which stands for Small Item Payment Process, is the process established to facilitate the purchase and payment of Other Than Personal Service (OTPS) items.

Q. When should a SIPP be used?

A. A SIPP is used to process payments for non-recurring purchases and should only be used when encumbering a purchase order is not feasible or practical. A SIPP is generally used for:

- Travel and Conference expenditures for NYC DOE employees attending a non-NYC DOE conference or meeting.
- Consumables for specialized programs
- Postage
- Conference registration
- Emergency purchases
- Admission fees
- Metro cards for public transportation

Q. How do I initiate a SIPP payment?

A. SIPP is initiated via the [FAMIS](#) portal. Once signed into the FAMIS portal, the SIPP link is located on the left-hand side of the screen under Purchasing/Payments.

Q. What do I need to know when making a payment using a SIPP?

A. When making a payment using SIPP, please keep the following information in mind:

- A purchase of \$250 or less does not require a bid.
- To purchase non-contracted items that cost more than \$250, the purchaser must follow bidding procedures outlined in the [DOE Procurement Policy and Procedures Guide](#).
 - The SIPP initiator must complete an automated bid form. Click [here](#) for further details.
- It is not necessary to obtain bids for services/items that are included under an established system-wide contract.
- The maximum amount allowed for a SIPP purchase at the school level is \$250.
 - Transactions above \$250, but not exceeding \$2,500, must be approved by the Borough Field Support Center (BFSC) and by DFO (the purchaser is required to upload supporting documentation such as bids, vendor invoice(s), agendas, etc., to initiate a SIPP.

- SIPP's should not be used:
 - To avoid procurement regulations and other limitations on expenditures. Click [here](#) to view the new procurement change notice.
 - To circumvent the purchasing thresholds by making multiple purchases (split billing) from the same vendor within the same fiscal year.
 - After delivery of goods and services with the exception of postage, ticket/admissions and travel.
 - To pay individuals for professional or other services.
 - For shipping charges and any other extra charges (should be included in the calculations).

Q. Can I use SIPP to pay for commodities or services in advance?

A. It is against purchasing rules to pay vendors in advance. There are some exceptions, however, such as payments for:

- Admission fees
- Emergency purchases
- Postage
- Metro cards for public transportation
- Conference registration

Vendor Payments

Q. What should I know before making arrangements with a vendor that I intend to use?

- A. The vendor must already have an active vendor ID established in the FAMIS system. If not:
- Request that the vendor complete and submit to you a W-9 form ([Request for Taxpayer Identification Number and Certification](#)) so that a vendor ID can be issued.
 - After you have received the W-9, use the [Vendor Add Form](#) to enter the information necessary to start the process.
 - After you submit the form, you will receive a tracking number. Write the tracking number onto the top of the W-9, and fax the form to the Division of Contract and Purchasing's Vendor Services office at (718) 228-8873.
 - You will be notified when the vendor ID has been assigned. The process typically takes about four weeks.

Note that when processing a payment to a vendor, the Parent and Student Reimbursements option should NOT be used.

Parent and Student Reimbursements

Q. How can I reimburse a parent for working at a school event, or a student attending a workshop?

- A. Parents and students who seek reimbursement for out-of-pocket expenses or pay for either working at a school, office, attending a DOE meeting or workshop must complete the [Non-Employee Payment Request Form](#).
- This form is used in conjunction with the online SIPP payment process. Please refer to the DFO's Standard Operating Procedures chapter, [Other Than Personal Services \(OTPS\) topics \(section 2.6\)](#) for specific instructions and rates of pay.

Employee Reimbursements

Q. How do I reimburse an employee?

- A. To reimburse an employee, you must log onto the [FAMIS](#) portal and complete the SIPP application:
- Click the Employee/Parent/Student Reimbursement option on the SIPP application
 - Select Employee
 - Enter the employee's ID number. If you do not know the ID number, it can be found on the employee's DOE paycheck stub under "reference number", or accessed by using the search function.
 - Enter the employee's mailing address. Abbreviate the street address as much as possible, (for example St., Ave., Pl., Dr., etc.) as the data fields on the actual check hold less information than what appears on the application.

The Parent and Student Reimbursement option should NOT be used when processing payments to employees.

Q. Do I need to upload supporting documentation to a SIPP?

- A. Yes, uploading supporting documentation (e.g. receipts, agendas, itineraries, credit card statements, etc.) is required in order to initiate a SIPP (click [here](#) for further instructions).
- These documents will be reviewed to determine the appropriateness of the expenses and to facilitate the approval process.
 - Supported document types include Word documents, Excel, TIF, PDF, and JPEG.
 - Each document cannot be greater than 2MB in size, however, there is no limit to the number of documents that can be attached.

Q. Should a SIPP payment include sales tax?

- A. No, the New York City Department of Education is exempt from paying New York State and local sales tax on their purchases.

Click [here](#) for the link for the tax exemption letter.

Q. Can I use Object Codes 453 (Non-Local Business Meeting Expenditures – General) and 454 (Non-Local Workshop/Conference Expenditures-Special) for a SIPP?

- A. No. Object Codes 453 and 454 expenditures must be reimbursed through the Travel Reimbursement and Approval Certification (TRAC) process. Consult DFO's chapter, [Travel and Conferences](#) in the Standard Operating Procedures Manual to learn more about this reimbursement process.

Q. I haven't received my SIPP reimbursement. What do I do?

- A. Contact the school or office that initiated the SIPP to inquire. If warranted, the SIPP initiator will request to have the payment investigated for reissue.

Q. My bank refused to cash my SIPP check. Why?

- A. Because SIPP checks are issued against a "For Deposit Only" account with a one-day clearance requirement, you must deposit the check directly to your account. Speak to a branch manager if you encounter any difficulty.

Please note that the DOE's Division of Financial Operations maintains a Standard Operating Procedures (SOP) document which contains information about SIPP: <http://schools.nyc.gov/NR/rdonlyres/AF357509-D04A-4411-841C-7A17945356DA/0/RevisionToOTPS.pdf> (see sections 1.2.3, 2.6, and 3.4.3) You may wish to bookmark this site as answers to many of your SIPP questions can be found here.

Web links used in this document:

- FAMIS portal:
<https://dfoforms.nycenet.edu/FAMISPortal/Login.aspx?sessiontoken=ul32ef45czcsiojqitckh2jv&link=logoff>
- DFO Procurement Policy and Procedures:
<http://schools.nyc.gov/Offices/dcp/DepartmentofEducationProcurementPolicyandProcedures.pdf>
- W-9 – Request for Taxpayer Identification Number and Certification:
<http://schools.nyc.gov/Offices/DCP/Vendor/Default.htm>
- Vendor Add Form: <http://schools.nyc.gov/Offices/DCP/Publications/AddingVendor.htm>
- Non-Employee Payment Request Form: <http://schools.nyc.gov/NR/rdonlyres/E33383D5-4E2D-49C0-A373-1A2923FF3B3E/0/otpsxC.pdf>
- DFO's Standard Operating Procedures Other Than Personal Services chapter:
<http://schools.nyc.gov/NR/rdonlyres/AF357509-D04A-4411-841C-7A17945356DA/0/RevisionToOTPS.pdf>
- DFO's Standard Operating Procedures Travel and Conferences chapter:
<http://schools.nyc.gov/NR/rdonlyres/CE4213B5-4627-4603-B584-0E7A539463A3/0/SOPTravelandConferences.pdf>