



SB 281 - Comptroller - Online Payment Processing Portal
Education, Health, and Environmental Affairs Committee
February 17, 2022
SUPPORT

Chair Pinsky, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 281. This bill will allow state vendors to better track their invoices and payments.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA,' offering free financial education and coaching, and engaging in policy research and advocacy.

CASH receives federal and state funding that flows through state agencies, academic institutions, and non-profit intermediaries. After an initial invoice, payments can take anywhere from 30 days to six months. Some payments can be viewed through the Comptroller's General Accounting Division (GAD) website, but the payments can be inconsistent with invoice amounts due to undisclosed offset liabilities.

An offset liability is issued by the federal or state government if there is an unpaid bill, penalty, or other charge. There is a section for these letters to be posted on the GAD website. However, CASH experienced multiple offset liability issues that were never listed on GAD and took almost 18 months to unravel. CASH had over \$70,000 of funds held for almost six months over less than \$300. Another \$230,000 was held up over \$15.88. The \$15.88 became an offset because it was booked in June 2020 but was not sent to CASH as a bill until October 2021. CASH was routinely told that these funds should not have been held for these insignificant amounts of liability issues. It took hours of executive staff time to work through the Department of Labor, Comptroller's Office, and academic institutions to get all the funds released and paid.

CASH and other non-profit vendors provide needed services that are contracted by the state and their affiliated entities. Grant and contract agreements lay out the terms for services to be paid. Vendors have a right to track where their payments are in the process and be able to intervene if any additional information is needed.

For these reasons, we encourage a favorable report on SB 281.

Creating Assets, Savings and Hope