Agency Name:	State Fiscal Accountability Authority		
Agency Code:	E550	Section:	104

Fiscal Year FY 2027-2028

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

	For FY 2027-2028, my agency is (mark "X"):	
OPERATING REQUESTS *(FORM B1)*		Requesting General Fund Appropriations.
		Requesting Federal/Other Authorization.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
NON-RECURRING REQUESTS *(FORM B2)*		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
CAPITAL REQUESTS *(FORM C)*		Requesting funding for Capital Projects.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
PROVISOS *(FORM D)*	X	Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
		Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Denise Carraway	(803) 737-3019	denise.carraway@sfaa.sc.gov
SECONDARY CONTACT:	Grant Gillespie	(803) 737-4381	ggillespie@sfaa.sc.gov

I have reviewed and approved the enclosed FY 2027-2028 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	*Board or Commission Chair*
SIGN/DATE:	9/25/26	
TYPE/PRINT NAME:	Grant Gillespie	Executive Director

This form must be signed by the agency head – not a delegate.

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FORM D – PROVISO REVISION REQUEST

NUMBER	104.10
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	SFAA: P-Card Oversight
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	II Procurement Services
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Amend
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	All agencies that are P-Card program participants.
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	Directs SFAA-DPS publish a SC P-Card Policy and Procedures Manual to reduce misuse and fraud. Requires testing and training of cardholders, approvers and pcard administrators in each participating agency.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

No fiscal impact as this a continution of the prior year proviso with technical updates to fiscal year references.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

104.10. (SFAA: P-Card Oversight) Using funds appropriated, no later than October 1, ~~2026~~ **2027**, the State Fiscal Accountability Authority, Division of Procurement Services (Division) shall publish and maintain a South Carolina Purchasing Card Policy and Procedures Manual (Manual) to establish sound practices for the use of purchasing cards (P-Cards) and for management oversight of such use to reduce the State's risk of P-Card misuse and fraud. The Division shall develop and provide training and testing on the requirements of the Manual and begin offering such training no later than October 15, ~~2026~~ **2027**. The director of each governmental body as defined in Section 11-35-310 employing P-card holders shall ensure the governmental body develops an agency-specific P-card use manual no later than April 1, ~~2027~~ **2028**. The director of each governmental body employing P-card holders shall ensure that every P-card holder and those with responsibility for implementation and oversight of its P-card program have completed the Division P-card training and successfully passed the Division P-card testing no later than April 15, ~~2027~~ **2028**. The director of each governmental body employing P-card holders shall ensure that no supervisory or oversight of a P-card role shall be assigned nor new P-cards issued before such employees shall complete Division P-card training and successfully pass Division P-card testing. The director of each governmental body employing P-card holders shall ensure the governmental body develops, implements, and provides the Division with documentation of an internal P-card annual training program for employees with supervisory or oversight of P-card programs and for all P-card holders. The director of each governmental body employing P-card holders shall obtain an annual compliance review of the governmental body's P-card program in accordance with guidance published by the Division and shall provide a report of the results and corrective action plans, if any, to the Division no later than December 1, ~~2026~~ **2027**. The Division shall compile a summary of all such audit report results into a single report and provide the report to the State Fiscal Accountability Authority (Authority) no later than its second regularly scheduled meeting of each calendar year. In each audit of the procurement system of a governmental body pursuant to Section 11-35-1230, the Division shall also audit the governmental body's P-card program to determine whether internal controls of the governmental body's P-Card program are adequate to ensure compliance, in all material respects, with the Manual, applicable laws and regulations, and internal policies. The Division shall include its findings and recommendations in the audit report submitted to the Authority. The Authority shall impose administrative penalties for repeat or egregious violations of the Manual, including but not limited to, reduction or suspension of the governmental body's P-Card program, reduction in procurement certification granted pursuant to Section 11-35-1210, removal of authority to conduct sole source procurements, or directing that all or a portion of any P-Card rebates due the governmental body be deposited in the General Fund. The Authority is authorized to request in-person reports from governmental body leadership on corrective actions being taken to rectify such repeat or egregious violations of the Manual and may exempt any governmental body from any requirement of this proviso.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	117.82
	Cite the proviso according to the renumbered list (or mark "NEW").
TITLE	GP: Recovery Audits
	Provide the title from the renumbered list or suggest a short title for any new request.
BUDGET PROGRAM	I Administration; II Procurement Services; III Insurance Services
	Identify the associated budget program(s) by name and budget section.
RELATED BUDGET REQUEST	
	Is this request associated with a budget request you have submitted for FY 2027-2028? If so, cite it here.
REQUESTED ACTION	Delete
	Choose from: Add, Delete, Amend, or Codify.
OTHER AGENCIES AFFECTED	All state agencies may be affected by deleting this proviso. Maintaining the proviso forces administrative overhead for an audit cycle that yielded $0.00 in state agency recoveries in the last audit cycle.
	Which other agencies would be affected by the recommended action? How?
SUMMARY & EXPLANATION	Directs the SFAA to contract with one or more firms to conduct recovery audits of payments made by all State agencies to vendors for goods and services to detect, document and recover overpayments and erroneous payments to vendors. The operational trend data shows that the primary financial vulnerability the proviso was created to catch has been resolved.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

A state agency would pay a fee from recovered monies received not to exceed twenty percent of the funds recovered to the firm conducting the audit. Any remaining savings could impact multiple funds depending on the specific accounts agencies used for invoice payments.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

~~117.82. (GP: Recovery Audits) The State Fiscal Accountability Authority shall contract with one or more firms to conduct recovery audits of payments made by all state agencies to vendors for goods and services. The audits must be designed to detect, document, and recover overpayments and erroneous payments to the vendors and to recommend improved financial and operational practices and procedures. A state agency shall pay, from recovered monies received, the recovery audit firm responsible for obtaining for the agency a reimbursement or payment from a vendor a negotiated fee not to exceed twenty percent of the funds recovered by that firm.~~

~~Unless otherwise restricted by law, funds recovered, less the cost of recovery, shall be remitted to a special fund subject to appropriation by the General Assembly. Agencies may recover costs that are documented to be directly related to implementation of this provision.~~

~~Recovery audits apply only to payments made more than one hundred eighty days prior to the date the audit is initiated and shall cover at least three complete fiscal years.~~

~~All information provided under a contract must be treated as confidential by the recovery audit firm. A violation of this provision shall result in the forfeiture by the firm of all compensation under the contract and to the same sanctions and penalties that would apply to that disclosure.~~

~~Each state agency shall participate in this recovery audit program and shall cooperate and provide the recovery audit firm with all information necessary for the audit in a timely manner. All vendors that provide goods or services to a state agency shall cooperate with the recovery audit firm in its audit.~~

~~A state agency shall expend or return to the federal government any federal money that is recovered through a recovery audit conducted under this provision. Payments to the recovery audit firm from the federal share of recovered funds shall be solely from the federal portion as allowed by the federal agency.~~

~~In addition to performing the recovery audits, the recovery audit firm may conduct an analysis of contracts and pricing structures, as determined and directed by the Executive Director of the State Fiscal Accountability Authority or her or his designee, to identify and recommend future cost-savings and improved state agency financial operations going forward. A state agency shall pay the recovery audit firm responsible for obtaining the agency actual cost-savings a fee as authorized by the contract with the recovery audit firm.~~

~~The recovery audit firm shall provide reports to the State Fiscal Accountability Authority detailing its findings, the causes for the overpayments and erroneous payments, future cost-savings opportunities and its recommendations for strengthening state operations and/or state contracts to prevent improper payments in the future.~~

~~For purposes of this proviso, the term "vendor" or "vendors" includes, but is not limited to, sellers, suppliers, service providers, other providers, contractors, and third party~~

~~administrators; the term "overpayments and erroneous payments" includes, but is not limited to, overpayments, duplicate payments, erroneous payments, and rebates, discounts, and credits not received; and the term "state agency" or "state agencies" includes all state agencies, boards, commissions, institutions, and institutions of higher education.~~

~~The State Fiscal Accountability Authority shall provide copies, including electronic form copies, of final reports received from a firm under contract to: the Governor; the Chairman of the Senate Finance Committee; the Chairman of the House Ways and Means Committee; and the state auditor's office. Not later than January first of each year, the board shall issue a report to the General Assembly summarizing the contents of all reports received under this provision during the prior fiscal year.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	GF Reduction Contingency Plan
AMOUNT	$150,278 *What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*
ASSOCIATED FTE REDUCTIONS	None *How many FTEs would be reduced in association with this General Fund reduction?*
PROGRAM / ACTIVITY IMPACT	II Procurement Services-Audit & Certification, OSE, and Contract Management *What programs or activities are supported by the General Funds identified?*
SUMMARY	Operational costs would be reduced or moved to Other funds if needed to meet the reduction amount. Other funds would incur operating costs associated with non-revenue generating services of SFAA-Division of Procurement Services, such as rent, phones and printers/copiers.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

The agency saw significant reductions in occupied floor space, storage and offices in compliance with the State Space Standards during the move in FY2026. The agency has also reduced the number of copiers/printers on-site and provides more shared resources amount programs within the agency.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?