



# ACCOUNTING BULLETIN

---

TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: July 24, 2009

SUBJECT: Procurement Code Changes to Contract/Lease Terms

NUMBER: 152

The purpose of this bulletin is to notify agencies of changes to the Illinois Procurement Code in regards to contract and lease terms.

Public Act 96-0015 provides clarification on the duration of contracts (new language is underlined).

30 ILCS 500/20-60(a) states: "Maximum duration. A contract...may be entered into for any period of time deemed to be in the best interests of the State but not exceeding 10 years inclusive, beginning January 1, 2010, of proposed contract renewals."

Public Act 96-0015 also provides similar clarification on the duration of leases and limits the length of a holdover period.

30 ILCS 500/40-25(a) states: "Maximum term. Leases shall be for a term not to exceed 10 years inclusive, beginning January 1, 2010, of proposed contract renewals and shall include a termination option in favor of the State after 5 years."

30 ILCS 500/40-25(d) states: "Holdover. Beginning January 1, 2010, no lease may continue on a month-to-month or other holdover basis for a total of more than 6 months. Beginning July 1, 2010, the Comptroller shall withhold payment of leases beyond this holdover period."

We will adjust our pre-audit procedures to enforce these new limitations on contract and lease terms.

If you have any questions, please contact Brett Cox at (217) 782-3686. Agencies may access this and other Accounting, SAMS and Payroll Bulletins on the Comptroller's website at [www.ioc.state.il.us](http://www.ioc.state.il.us) under Resource Library.