



ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: July 13, 2010

SUBJECT: Professional & Artistic Services Contract Filing Threshold and
Timely Execution of Contracts

NUMBER: 162

Public Acts 96-0795 and 96-0920 amended the contract files section in the Illinois Procurement Code (30 ILCS 500/20-80). These Public Acts increased the contract filing threshold for Professional & Artistic Services contracts from \$5,000 to \$10,000 and require that all contracts be reduced to writing before services are rendered or goods are received. These new requirements apply to all contracts (defined at 30 ILCS 500/1-15.30) subject to the Procurement Code solicited on or after July 1, 2010. The date of first solicitation will be evidenced by the “Publication Date” on the Contract Obligation Document (C-23). For contracts that do not require solicitation, the Illinois Office of the Comptroller (IOC) will use the earliest date of the required signatures on the contract in lieu of the “Publication Date”.

This section was amended as follows (new language is underlined and deleted language is lined through):

30 ILCS 500/ 20-80(d):

“(d) Timely execution of ~~Professional and artistic services~~ contracts. No voucher shall be submitted to the Comptroller for a warrant to be drawn for the payment of money from the State treasury or from other funds held by the State Treasurer on account of any contract ~~for services involving professional or~~

~~artistic skills involving an expenditure of more than \$5,000 for the same type of service at the same location during any fiscal year unless the contract is reduced to writing before the services are performed and filed with the Comptroller. Vendors shall not be paid for any goods that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties. A chief procurement officer may request an exception to this subsection by submitting a written statement to the Comptroller and Treasurer setting forth the circumstances and reasons why the contract could not be reduced to writing before the supplies were received or services were performed. A waiver of this subsection must be approved by the Comptroller and Treasurer. When a contract for professional or artistic skills in excess of \$5,000 was not reduced to writing before the services were performed, the Comptroller shall refuse to issue a warrant for payment for the services until the State agency files with the Comptroller:~~

~~(1) a written contract covering the services, and~~

~~(2) an affidavit, signed by the chief executive officer of the State agency or his or her designee, stating that the services for which payment is being made were agreed to before commencement of the services and setting forth an explanation of why the contract was not reduced to writing before the services commenced.~~

~~A copy of this affidavit shall be filed with the Auditor General. This Section shall not apply to emergency purchases if notice of the emergency purchase is filed with the Procurement Policy Board and published in the Bulletin as required by this Code. The Comptroller shall maintain professional or artistic service contracts filed under this Section separately from other filed contracts.”~~

The IOC will reject any contract for goods or services executed after the beginning date of the contract. Public Act 96-0795 allows the following two exceptions:

1. Emergency purchase transactions (award code “E”) are exempt from this requirement. To process an emergency purchase transaction that was executed after the beginning date of the contract, the agency must submit a copy of the Procurement Bulletin publication with the contract.

2. The chief procurement officer (CPO) can request an exception to this requirement by submitting a Late Execution Affidavit to the IOC.

A Late Execution Affidavit (example attached) must contain all the following elements:

- obligation number
- contracting agency number;
- contracting agency name;
- contact name and address;
- vendor name;
- description of the goods/services to be provided under the agreement;
- statement that both parties agreed to the goods/services prior to the receipt of goods or the commencement of services;
- **detailed** explanation of why the agreement was not reduced to writing before the goods were received or the services were commenced; and
- original signature of the CPO or designee (as supported by a signature card).

Prior to the submission of the contract and Contract Obligation Document, the notarized Late Execution Affidavit must be submitted to:

Illinois Office of the Comptroller
Attn: Director of State Accounting
325 West Adams
Springfield, IL 62704-1871

The IOC will coordinate the review process with the Treasurer's Office. Once the review is completed, the IOC and the Treasurer's Office will return the original affidavit with the final determination to the contact person identified on the affidavit. If it is not approved, the CPO must correct any deficiencies and return a new affidavit to the address above. When it is approved, the agency can submit the contract, Contract Obligation Document, and the approved affidavit (original and one copy) to

the IOC for processing. The IOC will forward a copy of the affidavit to the Office of the Auditor General once the contract has been accepted.

If you have any questions concerning this bulletin, please contact John Donelan at (217) 782-3608. Agencies may access this and other Accounting, Payroll and SAMS Bulletins on the Comptroller's website at www.ioc.state.il/us under Resource Library.

LATE EXECUTION AFFIDAVIT

IOC Control Number

Obligation Number

Agency # and Name: (_ _ _) _____

Contact Person: _____

Address: _____

Vendor Name: _____

Description of Goods/Services:

I, _____, being duly sworn, solemnly swear that: I am
(give official title and office of affiant) _____. The goods/services specified in the referenced
contract were agreed to by this agency and the vendor prior to the receipt of goods or the
commencement of services. The contract was not reduced to writing before the goods were
received or the services were commenced because:

I am duly authorized to make this affidavit. I know and understand the contents of this affidavit,
and all statements herein are true and correct.

Chief Procurement Officer

Chief Procurement Officer Designee

(OR)

Signature of Affiant

Signature of Affiant

Subscribed and sworn before me this _____ day of _____, 20_____.

(Seal)

Notary Public

(For Comptroller and Treasurer's Use Only)

Comptroller Representative

Date

Treasurer Representative

Date

Approved

Denied