



**Roland W. Burris**

Comptroller  
State of Illinois

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201 State House  
Springfield, Illinois 62706  
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TO: Agency Heads and Chief Fiscal  
Officers of All State Agencies

SUBJECT: FY1980 Contract Filing Requirements and Related Obligation  
Information

This memorandum provides instructions and guidelines for the preparation and submission of contracts and obligations for fiscal year 1980. Please review your contract procedures to ensure compliance with the following provisions:

1. P & A CONTRACTS - EXECUTION DATES

Section 11 of the State Comptroller Act (Illinois Revised Statutes Ch. 15, Para. 211) was amended by P.A. 80-1177 to require the Comptroller to reject vouchers for payment of professional or artistic skills if the contract for such services involves expenditures of more than \$2,500 for a fiscal year, unless the contract has been reduced to writing before the services are performed.

The Comptroller will return contracts subject to Section 11 that are executed after the services have commenced.

To ensure compliance with P.A. 80-1177, these contracts must contain a clause stating the execution date. An acceptable alternative is for the agency and the contractor to date their signatures. Any P & A contract not containing an execution date will not be accepted for filing.

2. DESCRIPTION OF SERVICES

Contracts must contain a reasonable detailed description of the services to be rendered. Contracts that state only "professional services", "advertising", "legislative aide", or "engineering" as descriptions are not acceptable.

FY1980 contracts will be returned to the agency if a clear definition of the work to be performed is not contained in the body of the contract.

3. CONTRACT INFORMATION

Contracts for services should contain the following information:

- a. A description of the service.
- b. Where the service is to be provided.
- c. For whom the service is to be performed.
- d. Beginning and ending dates of the service to be provided.
- e. The method of compensation.
- f. The contract amount.

4. PREVAILING RATES

If the contract states "Services to be provided for the prevailing rates", a rate schedule must be attached.

5. MULTIPLE APPROPRIATION ACCOUNT CODES

Where multiple appropriation account codes are to be utilized to pay the same vendor, the contract number must remain the same. The appropriation account codes from which the vendor is to be paid must be cross-referenced in the description block of the MOD (C-23). The dollar amount to be paid from each account must also be indicated.

6. SHARING OF CONTRACT COST BETWEEN AGENCIES

If two or more agencies share the cost of one contract, the same contract number should be used by all such agencies. The description block on the MOD (C-23) must state the agencies sharing the cost of the contract and the portion of the contract (dollar amount) for which each agency is responsible.

7. RENEWALS

If an existing contract is to be renewed for the next fiscal year, the renewal must be in writing and signed by both parties. If the contract gives the state the right to renew unilaterally, the agency must notify the vendor in writing that it is exercising its right to renew. In each case a copy of the signed renewal must be filed with the Comptroller.

8. RENTALS

Leases for personal property (transaction code 38) must contain the following information:

- a. Amount of monthly or other periodic payment.
- b. Beginning and ending dates.

- c. Vendor and agency signatures.
- d. Contract amount.
- e. Description of property leased and quantity.

9. TRANSACTION CODE 14

Authorizations (transaction code 14) from the Department of Administrative Services no longer carry the automatic de-obligation capability. Due to the incorrect use of the F (final) code on the invoice-voucher, it was necessary to remove the automatic de-obligation capability. Agencies must de-obligate by submitting an MOD (C-23) cancelling the balance of the authorization.

10. BLANKET OBLIGATIONS

The Miscellaneous Blanket Obligation (transaction code 41) is designed for miscellaneous expenditures that will not exceed \$500 in a fiscal year to a single vendor.

Expenditures that may exceed \$500 to any single vendor must be individually obligated.

All miscellaneous blanket obligations (transaction code 41) must carry the statement in the description block of the MOD (C-23):

"NO SINGLE VENDOR WILL RECEIVE MORE THAN \$500"

11. MOD

The MOD (C-23) must be completed in its entirety. The description block shall contain a clear, concise description of the service to be rendered. Where required by law, a copy of the contract must accompany the MOD.

12. LEGIBILITY

All documents filed must be legible. Illegible documents will be returned.

13. RECONCILIATION OF MONTHLY OBLIGATION ACTIVITY REPORT

In reconciling the Monthly Obligation Activity Report, all discrepancies must be submitted in writing with copies of the corresponding vouchers attached.

The Obligation Activity Report is available in a monthly report, or year-to-date report, in the standard printed form or on microfiche.

14. CONTRACT IDENTIFICATION

Listed below are the most widely used types of contractual

agreements and their corresponding transaction codes. The first four codes are primarily used for Department of Administrative Services procurement documents. It is intended that you use this list as a guide for selecting the proper transaction code for your contracts and leases. The Comptroller's Office may change the transaction code on a contract to properly coincide with the services to be performed. The agency will be notified of such changes.

- 11 - Purchase Orders
- 12 - Sub-orders
- 13 - Printing orders
- 14 - Authorizations
- 21 - Professional and Artistic (External vendor)  
(see list)
- 22 - Professional and Artistic (State agency)
- 23 - Construction
- 28 - Other (Technical) Contracts (External vendor)  
(see list)
- 29 - Other (Technical) Contracts (State agency)
- 31 - Leases for Real Property
- 38 - Other leases (External vendor)  
(see list)
- 39 - Other leases (State agency)
- 41 - Miscellaneous obligations  
(see list)
- 42 - University Imprest Fund
- 43 - Revolving Funds

Below is a partial list of services grouped under the proper transaction type. This list should assist you in determining the correct transaction type of a contractual agreement.

21 - Professional & Artistic

Chiropractors  
Dentists  
Nurses  
Ophthalmologists  
Optometrists  
Physicians  
Podiatrists  
Therapists  
Veterinarians

Advertising Studios  
Artists  
Photographers

Architects  
Engineers  
Surveyors

Attorneys  
Law Clerks

Archeologist  
Cartographer  
Geologists  
Historians  
Naturalists

Accountant  
Auditors  
Consultants

Advocacy Services  
Counseling  
Data Analysts  
Entertainment  
Honorariums  
Land Appraisals

Arbitrators  
Hearing Officers  
Inspectors

Teachers  
Theologians

28 - Other Contracts

Dry Cleaning  
Laundry Service  
Linen Service  
Mat Service  
Smock Service  
Towel Service

Garbage Service  
Janitorial Service  
Septic & Sewage Pumping  
Snow Removal

Blue Printing  
Copying Photo Finishing

Courier Service  
Messenger Service  
Security Service

Labs  
Optical

Repair & Maintenance

Clinics  
Funeral Homes  
Hospitals

Legislative Aide  
Nurses Aide  
Teachers Aide  
Travel Aide

Clerical  
Computer Operators  
Court Reporting  
Data Entry

Bus Transportation  
Day Care Centers  
Foster Homes

Barber  
Beautician  
Grounds Keeper  
Landscaping  
Moving & Relocation  
Pianist & Organist  
Pilots  
Reimbursement Restoration

38 - Other Rentals

Bookkeeping Machines  
Calculators  
Copying Machines  
Furniture (office)  
Postage Meters  
Projectors  
Typewriters

Bowling Alleys  
Films  
Skating Rinks

EDP Hardware  
EDP Software  
EDP Terminals

Back Hoes  
Buses  
Canoes  
Cars  
Fork Lifts  
Sewing Machines  
Trucks

41 - Miscellaneous Obligations

Bonds  
Freight Charges  
Insurance  
Postage  
Utilities

Association Dues  
Film Developing  
Newspaper Advertising  
Reimbursement  
Subscriptions  
Travel - Non-State Employees  
Tuition Fees

Accreditation  
City Inspections  
Miscellaneous Contractual  
Services Less than \$500  
Recruiting Expenses  
Resident Incentive Programs  
Seminar Space & Food

Questions concerning any of the above provisions should be directed to Mary Jacobs or Betsy Jones of this office, who may be reached at (217) 782-5628.

Sincerely,



Joseph J. DiRocco  
Manager, Accounting Operations

JJD:kb