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ILLINOIS STATE COMPTROLLER

ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Ellen Andres, Assistant Comptroller – Operations

DATE: May 18, 2022

SUBJECT: SAMS Modernization - Vendor Changes on Obligation Transactions

NUMBER: 259

The SAMS Modernization (SMOD) project will result in changes to current State Accounting procedures and requirements. Additional bulletins will be issued as changes are identified.

Beginning with Fiscal Year 2023 obligation transactions, the procedure for changing vendor information on obligations will change. Currently, vendor information is changed using a Class Code 99 transaction and there are no changes to the obligation number for the life of the contract. For obligations with service dates in FY 2023, some types of vendor changes will require a new obligation number to be assigned for the balance of the contract.

The chart below lists possible vendor changes with the determination of whether the existing obligation number continues or a new one is assigned:

VENDOR CHANGE SCENARIO	NEW OR SAME OBLIGATION NUMBER?
Vendor name correction; no FEIN change	Same obligation number
FEIN correction (data entry error)	Same obligation number
Vendor name change; no FEIN change	Same obligation number
Contract assigned to a different agency	Same obligation number
Vendor restructures-new name/FEIN	New obligation number
Vendor bought out (novation)	New obligation number
Contract assigned to a different vendor	New obligation number
Vendor merger--new vendor name and FEIN	New obligation number

This chart does not capture all possible scenarios. Agencies may consult with the IOC Vendor Unit and/or Obligations Unit to determine how a particular vendor change should be managed.

A vendor change requiring a new obligation number will be a two-step process. A de-obligation transaction (Class Code 99) for the current vendor/obligation number will be

processed to zero out any remaining balances. Documentation supporting the vendor change shall be submitted with the COD.

An obligation is then established for the new vendor/obligation number using the balance de-obligated from the first step. The new obligation will require copies of the original agreement and all amendments, renewals, etc. to be submitted with the COD along with documentation supporting the vendor change.

If you have any questions concerning this Accounting Bulletin, please contact:

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