

Purchasing

- Objective
 - Uniform Guidance
 - Special State Purchasing Requirements
 - New LLA Agreed Upon Procedures
 - Resources
 - Questions

Allen, Green & Williamson, LLP

2

The slide features a light gray background with a decorative graphic on the left side consisting of overlapping red, white, and gray diagonal stripes. The word 'Purchasing' is centered at the top. Below it is a bulleted list with one main bullet 'Objective' and five sub-bullets. To the right of the list is a 3D illustration of a white figure placing a red puzzle piece onto a path of white puzzle pieces that leads to a white platform with the word 'OBJECTIVES' written in red on top. At the bottom left, the text 'Allen, Green & Williamson, LLP' is displayed, and at the bottom right, the number '2' is shown.

Purchasing – Uniform Guidance

- Uniform Guidance:
 - New Super Circular that streamlines requirements of eight OMB Circulars:
 - A-21, A-87, A-110, A-122 , A-89, A-102, A-133 and A-50 (on Single Audit Act follow-up)
 - Those impacted will be Federal agencies, Non-federal entities (such as state and local governments, Indian tribes, institutions of higher education, and nonprofit organizations) that receive federal awards as recipients or subrecipients, and the auditors of these entities.

Allen, Green & Williamson, LLP

3

Purchasing – Uniform Guidance

- Uniform Guidance:
 - Federal Register Reference:
 - 2 CFR Chapter I, Chapter II Part 200, et al.
 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule
 - Additional requirements and information for Department of Education
 - 79 FR 75871
 - 2 CFR 3474
 - 34 CFR 75 and 80

Allen, Green & Williamson, LLP

4



Purchasing – Uniform Guidance

- Subpart A – Acronyms and Definitions:
 - Definitions – Each definition is provided a reference number
 - Goes from §200.1 to 200.99
 - §200.67 – Micro-purchase
 - A purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the threshold, which is \$3,000.
 - Threshold is periodically adjusted for inflation.
 - §200.88 – Simplified acquisition threshold
 - Dollar amount below which the agency may purchase property or services using small purchase methods.
 - Threshold currently set at \$150,000, but will be adjusted for inflation.



Allen, Green & Williamson, LLP

5

Purchasing – Uniform Guidance

- Subpart B – General Provisions:
 - §200.110 – Effective/applicability date:
 - Federal agencies must implement the policies and procedures applicable to Federal awards to be effective December 26, 2014 unless different provisions are required by statute or approved by OMB.
 - The standards set forth in Subpart F, Audit requirements, will apply to audits of non-Federal entity fiscal years beginning on or after December 26, 2014.



Allen, Green & Williamson, LLP

6

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.317 through §200.326 – Procurement Standards:
 - §200.318 – General Procurement Standards:



- The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws/regulations and conform to applicable Federal law/standards.
- The non-Federal entity must maintain oversight to ensure contractors perform in accordance with terms, conditions, and specifications of their contracts or purchase orders.

Allen, Green & Williamson, LLP

7

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.318 – General Procurement Standards:
 - The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts.
 - No employee, officer, or agent must participate in the selection, award or administration of a contract supported by a Federal award if he/she has a real or apparent conflict of interest.

Allen, Green & Williamson, LLP

8



Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.318 – General Procurement Standards:
 - Conflict of interest include:
 - Employee, officer, agency, any member of his/her immediate family, his/her partner
 - Organization which employs, or is about to employ, any of these parties
 - Financial or other interest in or a tangible personal benefit from a firm considered for contract.
 - NOTE: State of Louisiana conflict of interest also extends to spouses of your children and the parents of your spouse.
 - Employees, officers, and agencies of the non-Federal entity must neither solicit nor accept gratuities, favors or anything of monetary value from contracts or parties to subcontracts.

Allen, Green & Williamson, LLP

9

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.318 – General Procurement Standards:
 - Non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
 - If you set such a policy, please be aware of Louisiana Law.
 - Standards of conduct must provide for disciplinary actions to be applied for violations of such standards.

Allen, Green & Williamson, LLP

10

Purchasing – Uniform Guidance

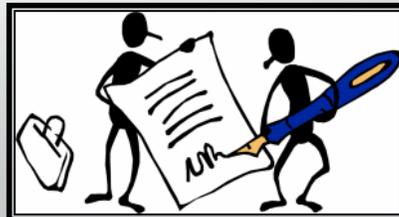
- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.318 – General Procurement Standards:
 - Non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items.
 - Where appropriate, an analysis will be made of lease versus purchase alternatives, and other appropriate analysis to determine the most economical approach.
 - Non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

Allen, Green & Williamson, LLP

11

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.318 – General Procurement Standards:
 - Non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Should consider:
 - Integrity,
 - Compliance with public policy,
 - Past performance, and
 - Financial and technical resources.



Allen, Green & Williamson, LLP

12

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.318 – General Procurement Standards:
 - Non-Federal entity must maintain records sufficient to detail the history of procurement; such as:
 - Rationale for method of procurement
 - Selection of contract type
 - Contractor selection or rejections
 - Basis for the contract price



Allen, Green & Williamson, LLP

13

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.319 – Competition:
 - All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards in the UG.
 - Contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposal must be excluded from competing for such procurement.
 - The following are some situations considered to be restrictive of competition:
 - Placing unreasonable requirements on firms in order for them to qualify
 - Requiring unnecessary experience and excessive bonding
 - Noncompetitive contracts to consultants that are on retainer contracts
 - Specifying only a "brand name" product instead of allowing "an equal"

Allen, Green & Williamson, LLP

14

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.319 – Competition:
 - Non-Federal entity must conduct procurement in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preference in the evaluations of bids or proposals.
 - Non-Federal entity must have written procedures for procurement transactions. Procedures must ensure that all solicitations:
 - Incorporate a clear and accurate description of the technical requirement for the material, product, or service to be procured.
 - Identify all requirements which the offerors must fulfill and all other factors to be used in evaluation bids or proposals.



Allen, Green & Williamson, LLP

15

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.319 – Competition:
 - Non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.
 - Must not preclude potential bidders from qualifying during the solicitation period.

Allen, Green & Williamson, LLP

16

Purchasing – Uniform Guidance



- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - Procurement by micro-purchases.
 - Acquisition of supplies or services, in which aggregate dollar amount does not exceed \$3,000 (or \$2,000 if related to acquisition for construction subject to the Davis-Bacon Act). This threshold will be updated periodically for inflation; it was increased effective 10/1/2015 to \$3,500
 - To extent possible, non-Federal entity must distribute micro-purchases equitably among qualified suppliers.

Allen, Green & Williamson, LLP

17

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - Procurement by small purchase procedures.
 - Relatively simple and informal for securing services, supplies or other property that do not cost more than the Simplified Acquisition Threshold.
 - Maximum threshold is currently \$150,000 and will be adjusted periodically for inflation.
 - NOTE – State of Louisiana, this would be considered \$30,000.
 - If this procedure is used, then price or rate quotations must be obtained from an adequate number of qualified sources.
 - The Non-Federal entities policy is required to address the written quotation process.

Allen, Green & Williamson, LLP

18

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - Procurement by sealed bids (formal advertising).
 - Publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to lowest responsible bidder.
 - In order to be feasible, the following should be present:
 - A complete, adequate and realistic specification or purchase description is available.
 - Two or more responsible bidders are willing and able to compete.
 - The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.



Allen, Green & Williamson, LLP

19

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - If sealed bid is used, then the following requirements apply:
 - Bid will be publicly advertised and bids must be solicited from an adequate number of known suppliers.
 - Bids, with any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
 - All bids will be publicly opened at time and place prescribed in the invitation.
 - A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.
 - Any or all bids may be rejected if there is a sound documented reason.

Allen, Green & Williamson, LLP

20

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - Procurement by competitive proposals.
 - Normally conducted with more than one source submitting an offer.
 - Generally used when conditions are not appropriate for the use of sealed bids.



Allen, Green & Williamson, LLP

21

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - If competitive proposals are used, then the following must be met:
 - Request for proposals must be publicized and identify all evaluation factors and their relative importance.
 - Proposals must be solicited from an adequate number of qualified sources.
 - Non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.
 - Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered, AND
 - Non-Federal entity may use competitive proposal procedures for A/E.

Allen, Green & Williamson, LLP

22

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.320 – Methods of Procurement to be Followed:
 - Procurement by noncompetitive proposals.
 - Solicitation from only one source.
 - May be used only when one or more of the following circumstances apply:
 - The item is available ONLY from a single source.
 - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
 - The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request, OR
 - After solicitation of a number of sources, competition is determined inadequate.



Allen, Green & Williamson, LLP

23

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.321 – Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms:
 - Non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women’s business enterprises and labor surplus area firms are used when possible.

Allen, Green & Williamson, LLP

24

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.321 – Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms:
 - Affirmative steps must include:
 - Placing the qualified businesses on solicitation lists;
 - Assuring that these businesses are solicited whenever they are potential sources;
 - Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;
 - Establishing delivery schedules, where the requirement permits, to encourage participation.
 - Using the services and assistance as appropriate of organizations to help with this process; and
 - Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps as listed.



Allen, Green & Williamson, LLP

25

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.323 – Contract Cost and Price:
 - Non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications.
 - Method and degree of analysis is dependent of the procurement situation; however, the non-Federal entity must make independent estimates before receiving bids or proposals.
 - Non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.

Allen, Green & Williamson, LLP

26

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.323 – Contract Cost and Price:
 - Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable under Subpart E – Costs Principles.
 - The cost plus percentage of costs and percentage of construction methods of contracting must not be used.



Allen, Green & Williamson, LLP

27

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.324 – Federal Awarding Agency or Pass-through Entity Review:
 - Must make available support for procurement upon request.
 - §200.325 – Bonding requirements



Allen, Green & Williamson, LLP

28

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management:
 - §200.317 through §200.326 – Procurement Standards (cont.):
 - COFAR’s FAQ 200.110-6
 - Will the Federal government provide a grace period after the effective date for non-Federal entities to comply with the procurement standards in the Uniform Guidance?
 - Yes, for two full fiscal years after the effective date of the Uniform Guidance. In general non-Federal entities must comply with the terms and conditions of their Federal award, which will specify whether the Uniform Guidance applies. However, in light of the new procurement standards, for procurement policies and procedures, for the non-Federal entity’s first full fiscal year that begins on or after December 26, 2014, the non-Federal entity must document whether it is in compliance with the old or new standard, and must meet the documented standard. For example, the second full fiscal year for a non-Federal entity with a June 30th year end would be the year ending June 30, 2017. The Single Audit Compliance Supplement will instruct auditors to review procurement policies and procedures based on the documented standard. For future fiscal years, all non-Federal entities will be required to comply fully with the uniform guidance.

Allen, Green & Williamson, LLP

29

Purchasing – Uniform Guidance

- Subpart D – Post Federal Award Requirements Standards for Financial and Program Management (cont.):
 - §200.317 through §200.326 – Procurement Standards (cont.):
 - COFAR’s FAQ 200.320-1
 - This FAQ goes into further detail and provides an example for those purchases between \$3,000 and \$150,000. For the example provided, the FAQ states a purchase for \$10,000 requires a rate quote from at least two sources.



Allen, Green & Williamson, LLP

30

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Telecommunications and Data Processing Procurement Law
 - State Contract Purchases – Memorandum OSP 08-02
 - Emergency Purchasing
 - Sole Source Purchase
 - Piggy Back Purchase

Allen, Green & Williamson, LLP



31

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Telecommunications and Data Processing Procurement Law
 - Be careful regarding Software Upgrades
 - If purchasing, leasing or renting telecommunications or data processing systems, including equipment and related services, then allowed to follow R.S. 38:2234 for Request for Proposal (RFP), rather than full bid process.



Allen, Green & Williamson, LLP

32

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Telecommunications and Data Processing Procurement Law
 - Procedures include:
 - Public notice of RFP 30 days prior to date scheduled for opening the RFP.
 - Written notice of the RFP shall be mailed to persons and corporations known to be in position to furnish the equipment, systems and related services.
 - Public notices may also be given by electronic media.
 - RFP should include price and other evaluation factors, tasks to be performed under contract, functional specifications, criteria to be used in evaluating responses, and time frames work should be completed.

Allen, Green & Williamson, LLP

33

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Telecommunications and Data Processing Procurement Law
 - The award shall be made to the responsible offeror whose proposal is the most advantageous, considering price and other evaluation factors.
 - The political subdivision may reject all proposals when the action is deemed to be in the best interest of the political subdivision.
 - The political subdivision may procure in accordance with the Public Bid Law. However, if used instead of RFP, then written notice of that fact shall be given to all bidders, and that notice shall also state that the RFP procedures will not apply.

Allen, Green & Williamson, LLP

34

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - State Contract Purchases – Memorandum OSP 08-02 – September 12, 2007
 - The Office of State Purchasing has always encouraged agencies to shop and to compare products on these contracts, where same or similar items on more than one contract, and to make a best value decision when making a selection.
 - State Purchasing has issued rules for a new program called Louisiana Pricing Schedules (LaPS) to ensure that all users of Louisiana State Contracts are good stewards of the taxpayers' money.

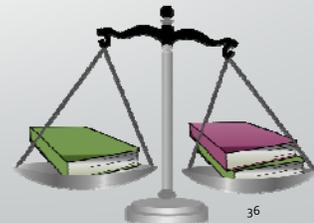


Allen, Green & Williamson, LLP

35

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - State Contract Purchases – Memorandum OSP 08-02 – September 12, 2007
 - LaPS requires all eligible users to compare contracts and to seek best value procurement where multiple contracts exist for like or similar items.
 - Routers, microcomputers, trucks, etc.
 - Purchases over \$25,000
 - Political subdivision accomplishes this through a Request for Responses to at least 3 LaPS contract holders.
 - Purchases shall not be artificially divided to avoid the requirements
 - http://www.doa.la.gov/Pages/osp/contracts_index.aspx

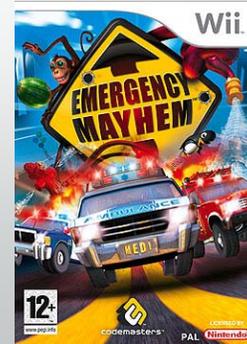


Allen, Green & Williamson, LLP

36

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Emergency Purchasing
 - Two types of emergency situations – R.S. 38:2211:
 - Emergency
 - Extreme Emergency



Allen, Green & Williamson, LLP

37

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Emergency
 - Unforeseen mischance bringing with it destruction or injury of life or property, or the imminent threat of such destruction or injury.
 - Exception is considered after emergency has been certified by the public entity at a public meeting.
 - Public Bid Law may be waived provided that notice was given to the public by publishing in the official journal within 10 days of declaring public emergency.

Allen, Green & Williamson, LLP

38

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Emergency
 - Every contract that is negotiated shall be supported by written determination and findings by the public entity justifying the emergency.
 - If contract is made pursuant to telephone or other oral offers, written confirmation of the accepted offer must be included in the file.
 - The file must contain:
 - A minimum of the description of the work to be performed;
 - The name and address of each offeror quoting; and
 - The performance time and terms of each offer.



Allen, Green & Williamson, LLP

39

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Emergency
 - If the lowest quote was not accepted, reasons for rejection must be in the file.
 - Records must be kept a minimum of 6 years.



Allen, Green & Williamson, LLP

40

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Extreme Emergency
 - A catastrophic event that causes the loss of ability to obtain a quorum of the members necessary to certify the emergency prior to making the expenditure to acquire materials or supplies or to make repairs necessary for protection of life, property, or continued function of the public entity.
 - The political subdivision may make such purchases to deal with the emergency as may be required immediately.

Allen, Green & Williamson, LLP

41

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Extreme Emergency
 - After the events requiring immediate emergency procurement, the Board President shall declare that an extreme emergency exists and shall cause such declaration to be published in the official journal within ten days or as soon as practicable thereafter.
 - The documentation required for purchases is the same as emergencies.



Allen, Green & Williamson, LLP

42

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Sole Source Purchase – R.S. 39:1597
 - A contract may be awarded for a required supply, service, or major repair without competition when, under regulations, the chief procurement officer or his designee above the level of procurement officer determines in writing that there is only one source for the required supply, service, or major repair item.
 - This provision is under Louisiana Procurement Code.



Allen, Green & Williamson, LLP

43

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Sole Source Purchase – R.S. 39:1597
 - Legislative Auditor Summary of Louisiana Procurement Code:
 - Competitive sealed bidding should be used. However, sole source procurement is used when only one source is available from which to make a particular purchase.
 - Similar to emergency and does not require competition.
 - An agency (of the state) may use sole source when it submits to Office of State Purchasing (OSP) in writing that only one source can fill the need.
 - The agency may not make sole source procurement until it receives approval from OSP.



Allen, Green & Williamson, LLP

44

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Sole Source Purchase – R.S. 39:1597
 - An agency must submit a sole source procurement report to the Legislature annually. The report must include:
 - Each contractor's name;
 - The amount and type of each contract;
 - A list of supplies, services or major repairs procured under each contract; and
 - The identification number of each contract file.
 - Recommend to establish "sole source" policy and procedures.

Allen, Green & Williamson, LLP

45

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Piggy Back Purchase
 - AG Opinion No. 09-0296: The following steps are necessary for a local political subdivision to piggy-back off an existing public contract of another local subdivision pursuant to R.S. 33:1321-1327:
 - Verify that the contract was bid in compliance with state law.
 - Verify that the contract is still active, fresh, or "viable".
 - Obtain written consent or approval from the other public entity that bid the contract and obtain confirmation as to the contract number and, if necessary, the Resolution accepting the contract/bid.
 - Confirm that the vendor and the product, services, materials, supplies or equipment are the same and that the price is the same or lower.



Allen, Green & Williamson, LLP

46

Purchasing – Special State Requirements

- When working on procurement, the following situations need to be considered:
 - Piggy Back Purchase
 - A contract for purchase of materials and supplies is no longer “viable” once the materials and supplies have been transferred to the public entity and payments have been received by the contract vendor. Further, a contract would no longer be “viable” if it has a specific term of duration and that term has passed.
 - AG Opinion No. 12-0165: A public entity may not “piggy-back” off a contract that has not been competitively bid by another Louisiana public entity.

Allen, Green & Williamson, LLP

47



Purchasing – New Agreed Upon Procedures

- Louisiana Legislative Auditor (LLA) has issued new procedures that are required by all governments that submit the audit reporting package to the LLA.
- Effective for all fiscal year ends June 30, 2017 and thereafter.
- Several procedures deal with disbursements, procurement and contracts.
- NOTE: These procedures cover all locations of the governmental entity, including student activity funds, school cafeterias, media center, transportation, central office, etc.

Allen, Green & Williamson, LLP

48

Purchasing – New Agreed Upon Procedures

- Disbursements: General –
 - Auditor is required to obtain a listing of entity purchases, excluding credit card purchases, or obtain the general ledger and sort/filter for entity purchases. Additionally, management must provide written representation that the listing or general ledger is complete.
 - Auditor is required to select 25 transaction over the period from listing above and determine if:
 - Purchases were initiated using a requisition/purchase order system.
 - Purchase orders were approved by a person who did not initiate the purchase.
 - Payments for the purchases were not processed without:
 - An approved requisition and/or purchase order
 - A receiving report showing receipt of goods purchased
 - An approved invoice

Allen, Green & Williamson, LLP

49

Purchasing – New Agreed Upon Procedures

- Disbursements: General (cont.) – Auditor is required to:
 - Determine if the person responsible for processing expenditures is prohibited from adding vendors to the entity's purchasing system.
 - Determine if the chief executive officer, or designee, who signs checks or makes the final authorization for disbursements has no responsibility for initiating or recording purchases.

Allen, Green & Williamson, LLP

50



Purchasing – New Agreed Upon Procedures

- Credit/Debit/Fuel Cards/P-Cards –
 - Auditor is required to obtain from management a listing of all active credit cards, bank debit cards, fuel cards and P-cards, including the card numbers and the names of the persons who maintained possession of the cards. Additionally, management will be required to provide representation that the listing is complete.
 - From the listing received, the auditor is required to select 10 cards that were used during the period, rotating cards each year. For the 10 cards selected, the auditor is required to obtain the monthly statements for each.



Allen, Green & Williamson, LLP

51

Purchasing – New Agreed Upon Procedures

- Credit/Debit/Fuel Cards/P-Cards (cont.) –
 - From the statements received, the auditor is to test the largest (dollar) monthly statement for each card and:
 - Determine if each monthly card statement (including supporting documentation) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - Determine if finance charges and/or late fees were assessed on the monthly card statements.
 - Using the largest monthly statement, the auditor is required to obtain supporting documentation for all transactions and test the following:
 - An original itemized receipt
 - Documentation of the business/public purpose (Note: If the purchase is for meals, then there should also be documentation of the individuals participating.)
 - Other documentation as may be required by policy (I.E. purchase order, authorization, etc.)

Allen, Green & Williamson, LLP

52

Purchasing – New Agreed Upon Procedures

- Credit/Debit/Fuel Cards/P-Cards (cont.) –
 - From each transaction, the auditor is required to compare the transaction's detail to the entity's written purchasing/disbursement policies and the La. Public Bid Law and report any exceptions.
 - From each transaction, the auditor is required to compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.



Allen, Green & Williamson, LLP

53

Purchasing – New Agreed Upon Procedures

- Contracts –
 - The auditor is required to obtain a listing of all contracts in effect during the period or, alternately, obtain the general ledger and sort/filter for contract payments. Management would be required to certify that listing or general ledger is complete.
 - From the listing, the auditor is required to select the five contract "vendors" that were paid the most money during the period (excluding purchases on state contract and excluding payments to the practitioner) and obtain the related contracts and invoices.

Allen, Green & Williamson, LLP

54

Purchasing – New Agreed Upon Procedures

- Contracts (cont.) –
 - For the five contracts selected, obtain the related contracts and paid invoices and:
 - Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - Compare each contract's detail to the Louisiana Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements.
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.



Allen, Green & Williamson, LLP

55

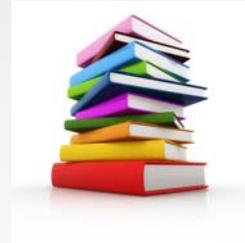
Purchasing – New Agreed Upon Procedures

- Contracts (cont.) –
 - For the five contracts selected, obtain the related contracts and paid invoices and:
 - Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - Select the largest payment from each of the five contracts, obtaining the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

Allen, Green & Williamson, LLP

56

Resources



- COFAR's website: <https://cfo.gov/cofar/>
- Link to Uniform Grant Guidance: <https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>
- Link to FAQs on Uniform Grant Guidance: <https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf>
- Link to FAQs on LLA's website: <https://www.lla.la.gov/legalFAQs/>
- Link to LLA's Agreed-Upon Procedures: <https://www.lla.la.gov/auditResources/auditTools/cpaGovernmentAuditAids/>
- Link to LLA's best practices: <https://www.lla.la.gov/auditResources/bestPractices/>

Allen, Green & Williamson, LLP

57

QUESTIONS



Allen, Green & Williamson, LLP

58

Contact Information:

Nicia Mercer: Jaunicia@allengreencpa.com

Amy Tynes: Amy@allengreencpa.com

Allen, Green & Williamson, LLP

Toll-free (888) 741-0205