

# COMPLIANCE UPDATES AND USEFUL TIPS

## CULTIVATING A CULTURE OF COMPLIANCE

Monthly updates from the MDE Office of Compliance

NOVEMBER 2019

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This month's *Compliance Updates* features upcoming state property audit reminders, conference registration tips, program office contract management, and procurement deadlines.

### **MDE Property Audit Reminders**

During the month of December, the Property Division of the MS Office of the State Auditor (OSA) will conduct a State Property Audit of the MDE. Please visit [Section 14.0 of the MDE Employee Policy & Procedures Manual](#) for detailed information on fixed assets. Listed below are a few reminders to ensure all fixed assets of the agency are properly assigned and tagged.

- Any new equipment, vehicles, and/or office furniture purchased with a cost of \$1,000 or more MUST have numbered inventory tags.
- Equipment with worn tags or tags that have fallen off MUST be replaced with new tags.
- All fixed assets belonging to employee's who have transferred to another office or terminated employment must be accounted for and reassigned.
- Employees who discover equipment is missing MUST complete a Property Affidavit form, file a police report, and submit all documentation to the Property Officer within 30 days.
- An Equipment Receipt form MUST be on file during the physical count of fixed assets, unless the Property Officer sends advance notification that equipment must be brought in for auditor observation.

If there are any problems or questions concerning fixed assets and/or the upcoming property audit, now is the time to contact Kenya Gardner or Christopher Anthony to resolve those issues.

### **Conference Registration Reminders**

The Office of Accounting has noticed an increase in program offices submitting conference registration requests often a week or less before the conference begins. This practice is unacceptable.

- Requisitions for conference registrations MUST be submitted to the Office of Accounting at least two weeks in advance of the start date of a conference, seminar, etc.
- All registration packets now route to DFA for approval, which can take up to a week to process. Also, if an address change is needed, the Office of Accounting must submit that request to DFA and wait for completion prior to entering a payment into the system.
- Failure to submit conference registration requests to the Office of Accounting at least two weeks in advance can result in MDE employees arriving at conferences with unpaid registrations.

**The Office of Accounting will provide details regarding the OSA Property Audit.**

**HATS OFF TO THE MS SCHOOL OF THE ARTS (MSA) FOR RECEIVING**

**A CLEAN 100% FY18 PROPERTY AUDIT!!!**

## **Program Office Contract Management**

Contract management should start once a contract is fully executed and services begin.

### *Examples of Poor Contract Management*

1. Program offices hire contract workers for services and do not realize those workers are out of money in the contract until the Office of Accounting returns invoices and/or travel vouchers indicating those workers are unable to be paid for the work they have done.
2. The deliverables from a vendor were continuously late, and the vendor was difficult to reach during the first year of a multi-year contract. The program office did not want to continue the services; however, there was no documentation of the problems the office encountered during the year.

### *Helpful Tips for Successful Contract Management*

- Monitor, manage, document and communicate contract requirements to contractors to ensure compliance with specified expectations, contract deliverables, and budget.
- Prior to the approval of payments, verify that work was performed satisfactorily.
- Track balances closely to prevent overpayments and contractual violations.
- Maintain documentation of services provided during the terms of the contract, especially any problems with contract deliverables.
- Evaluate the contract worker's performance at the end of the contract period.

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### **Upcoming Procurement Deadlines:**

Please note program offices must be approved by PPRB by June 2020 to begin a contract on July 1, 2020.

- FY21 Petition for Relief from Bidding to procure a contract **over \$75,000 effective July 1, 2020** should be submitted to the Procurement Office by **December 18, 2019** for timely approval.
- FY21 contract renewals **over \$75,000 effective July 1, 2020** should be submitted to the Procurement Office **December 4, 2019 - February 5, 2020** for timely approval.
- FY21 solicitations to procure contracts **\$5,000 - \$50,000 effective July 1, 2020** should be submitted to the Procurement Office by **March 1, 2020** for timely approval.
- FY21 contract renewals **\$50,000 - \$75,000 effective July 1, 2020** should be submitted to the Procurement Office by **April 8, 2020** for timely approval.
- FY20 contracts less than **\$5,000** should be submitted to the Office of Procurement by **April 15, 2020** for a contract approval on or before **May 15, 2020**.
- Except for an Emergency contract, the effective date of the contract should be any date after the SBE or PPRB meeting date. Review and approval lead times are contingent upon workflow during the months of April, May, and June.

### **REPORT FRAUD, WASTE, AND ABUSE:**

To report suspected fraudulent activity, go to the MDE Home webpage and select the Report Fraud, Waste, and Abuse link. (<https://compliance.mdek12.org/Fraud/>)