



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

May 6, 2003

MEMORANDUM OSRAP 03-30

TO: Fiscal Officers
ISIS Agencies

FROM: F. Howard Karlton, CPA, CGFM
Director

SUBJECT: FY 03 Commodity-based Purchases Not Encumbered by 6/30/03

All commodity-based purchases and contracts for FY03 that require the encumbrance of AGPS purchase orders and CFMS contracts should be entered into AGPS/CFMS and encumbered on or before 6/30/03. After 6/30/03, it will not be possible to encumber a transaction in AGPS/CFMS. All increases and substitutions, OCHG/KAMDs, to existing AGPS/CFMS encumbrances must also be entered and encumbered by 6/30/03. AGPS/CFMS will not allow an increase or new line to an existing encumbrance after 6/30/03. Although AFS will allow the encumbrance/increase of an AFS PO that date, it is in violation of DOA policy for agencies to encumber FY03 transactions after 6/30/03 in ISIS. Agencies should make every effort to enter and encumber all commodity-based purchases and contracts by 6/30/03. One solution for those agencies with field offices would be to give those offices a deadline sufficiently before 6/30 to allow for timely data entry into ISIS.

The Office of State Purchasing and OSRAP are aware that there are instances when last minute emergency purchases make it impossible to meet the deadline. An adjustment will be made to the dollar limit of the AGPS LDO transaction to allow agencies to pay for commodity-based purchases that were not encumbered by 6/30/03 and are \$10,000 or less. The limit will be set back to \$500.00 on August 15, 2003. In the future, agencies must take the necessary steps to ensure that all commodity-based purchases of \$500.00 or more are entered and processed through AGPS before June 30.

It should be noted that this change will raise the dollar limit on the LDO transaction for both FY03 and FY04. However, it is the policy of the Division of Administration that agencies should only process LDOs of \$500.00 or more for **FY03 purchases only**. The use of the raised limit is intended for FY03 purchases only and it will be

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monitored by OSRAP. Any violations will be reported to the Office of State Purchasing and the Office of the Legislative Auditor.

Agencies should follow the procurement code as outlined in R. S. 39 Chapter 17. Failure to do so will result in the transaction being null and void. If you have any questions, call the OSRAP Help Desk at (225) 342-1097. Remember, all OSRAP memorandums and forms may be accessed through our home page at <http://www.state.la.us/OSRAP/INDEX.HTM>.

FHK: am

C: Mr. Marty Milner
Ms. Denise Lea