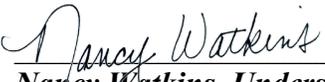


Fiscal Policy #2

Policy Name: ***Federal Exclusion***
Effective Date: ***September 8, 2023***
Revision Date:

Authorization: 
 Nancy Watkins, Undersecretary

I. **PURPOSE**

Non-federal entities, including state agencies, are prohibited from making federally funded payments under covered transactions to parties that are suspended or debarred by the federal government. All non-procurement transactions entered into by a recipient (i.e., sub awards to sub recipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

II. **APPLICABILITY**

Each agency within the Office of the Lieutenant Governor and Department of Culture, Recreation and Tourism is required to verify prior to contracting with or requisitioning good or services from an entity that will be paid with federal funds that the entity is not suspended, debarred or otherwise excluded from participating in the transaction.

IV. **GUIDELINES**

Agency Responsibilities

Each agency has the vested responsibility for the review of the Excluded Parties List (EPLS) on a semi-annual basis. At least every six months (January and July) confirm that no entities have become suspended or debarred since the last verification checks. If a vendor becomes disbarred after the agency started working with the vendor, they can rescind the contract or continue to work with the vendor. But the contract/agreement cannot be renewed or extended.

Once the vendor information is entered onto SAM, one of two options will come up. The agency must print the result of the search and attach a copy of the result to the supporting documentation.

Fiscal Responsibilities

The fiscal section's responsibly is to make sure the agencies have attached a copy of the Exclusion list screen print showing the vendor was not on the list.

V. DEFINITIONS

Covered transactions - include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220.

VI. PROCEDURE

Each agency must ensure that all federal payments are checked against the EPLS (Excluded Parties List) database before sending to Fiscal for payment. All invoices paid with federal funds must be checked against the suspended, debarred and otherwise excluded database on the SAM site.

VII. VIOLATIONS

Failure to follow the requirements of this policy that causes a payment to be made to a disbarred member may result in server repercussions to the agency. The Federal Department involved may disallow cost, termination, issue a stop work order, debar or suspend, or take other actions as appropriate.

This applies to all federal funded transaction over \$25,000. However, as a precaution, all invoices regardless of amount should be checked.

Example: The \$25,000 is based on the total amount of the purchase order, contract, grant or agreement not just the single payment. The payment may be under \$25,000 but the total agreement is for \$30,000, so you would need to make sure the vendor is not on the Excluded list.

Employees found to be in violation of this policy will be subject to disciplinary action, up to and including terminations.

VIII. QUESTIONS

Questions regarding this policy should be directed to the Accountant Administrator (Fiscal Director) or Undersecretary. Detailed procedure can be located on the O Drive: sharedri/payables/policies and procedures/Procedure Federal Exclusion List

Summary of Changes: Policy Created (September 8, 2023)