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In addition to establishing uniform accounting standards and policies, it is a goal of this committee to provide general information and other guidance to assist fiscal officers and other state employees relating to good practices or processes, or needed information that may not be readily available within the state. The purpose of this section of the Fiscal Policies Manual is to provide some general guidance and direction to other sources that may be helpful.

If there are other guidelines you would like to see included, please send them to the State Controller's Office, Division of Statewide Accounting, Fiscal Policies Advisory Committee, or contact Chris Stratton (cstratton@sco.idaho.gov) or David Fulkerson (dfulkerson@dfm.idaho.gov).

CONTRACT MONITORING

One of the most overlooked functional areas of contract management is probably the most important. Monitoring contracts can reveal issues with performance and subsequent actions.

Monitoring must be done on a regular basis and with an eye toward outcomes. Each contract must have a metric that can be measured, e.g., reports, number of widgets, deliverables, etc. The contract must define what those metrics are.

If the metrics do not meet the acceptable standard as stated in the contract, the monitor should be working with the contractor on a corrective action plan. The abuse of contract terms or lack of deliverables should be stated in the contract and what corrective actions are expected.

Often corrective action plans include a penalty as a last resort. It is far easier to work with the contractor before an issue gets out of hand than it is to effectively impose a penalty and possible legal action. If a penalty is warranted it must be worth it. As the contract is drafted, pay particular attention to how to justify and define a penalty.

Documentation is the key to proper monitoring. Without it, penalties cannot be imposed effectively. Documentation will also bring issues to light sooner and may limit the agency's liability if something goes wrong.

Fiscal Activities Guidelines are intended to provide best practices or processes and to provide other sources of information that may be helpful. They are not intended to be Fiscal Policy.