

**Procurement & Contracting**

Effective Date: May 28, 2024

Upcoming Revision: May 2026

I. PURPOSE

Procurement is the act of buying, purchasing, renting, leasing, or acquiring goods or services. It includes all functions related to obtaining goods or services, including describing requirements, selecting and soliciting sources, preparing and awarding a contract, and all phases of contract administration. This SOP establishes guidelines and procedures for the IAC's Procurement and Contracting Processes.

II. DEFINITIONS

Attorney General's Office (AGO)	Contract Approving Body
Chartfields	Accounting information used to track expenses and budgets
Clearance Checks (CC)	Verifying that a Supplier is in good standing with the State
Comptroller of State (COS)	Payment Approving Body
Department of Administration, Indiana (IDOA)	Contracting Approving Body
Department of Revenue (DOR)	Clearance Check Verifying Body
Department of Workforce Development (DWD)	Clearance Check Verifying Body
Financial Management Circular (FMC)	Financial Guidelines that State Agencies must follow
INBiz	SOS's Clearance Check Portal
Indiana Tax System	DOR's Clearance Check Portal
Memorandum of Agreement (MOA)	Non-Enforceable written agreement between a State Agency and an external party (see FMC 3.4)
Memorandum of Understanding (MOU)	Non-Enforceable agreement between State Agencies (see FMC 3.4)
Requisition (REQ)	Internal Document to request services/supplies. It pre-verifies that there are funds available to cover the requested expenses
PeopleSoft Financials (PSF)	Accounting Application/Database for the State
Professional Services Agreement (PSA)	A formal and legally binding document that establishes the terms and conditions between the State and an external party
Purchase Order (PO)	External Document that formally requests services/supplies to a Supplier. It specifies the types and quantities of products or services, agreed-upon prices, and other terms and conditions
Scope/Statement of Work (SOW)	Document that outlines Supplier's responsibilities and terms
State Budget Agency (SBA)	Contracting Approving Body
Supplier Contract Management (SCM)	Tool within PeopleSoft Financials that creates and manages all contracts for the State
Secretary of State (SOS)	Clearance Check Verifying Body
Supplier/Vendor	An individual or entity that is providing services/goods to the State
Uplink	DWD's Clearance Check Portal
Voucher (Accounts Payable – AP)	Document that authorizes and records a payment transaction

III. POLICY

This Procurement Policy establishes a consistent and structured approach to the procurement of goods and services by the Indiana Arts Commission (IAC). It ensures that all procurements are conducted in a fair, transparent, and cost-effective manner, adhering to applicable state and federal laws and regulations, and supporting the IAC's mission and operational needs.

1. Compliance: All procurement activities must comply with the guidelines set forth by the Indiana Department of Administration (IDOA), the Attorney General's Office (AGO), and other relevant authorities. Compliance also includes adherence to financial management practices as prescribed in the Financial Management Circular (FMC).

2. Ethical Standards: All employees involved in the procurement process must act in the best interest of the IAC, avoiding any conflicts of interest and maintaining the highest standards of integrity and impartiality.

3. Approval and Oversight: As detailed in this SOP, procurements require appropriate approvals from designated authorities at various stages, including requisition approval, contract approval, and payment authorization.

4. Recordkeeping and Transparency: Accurate and systematic records of all procurement transactions must be maintained to ensure transparency, accountability, and readiness for audit processes. Documentation will be managed in accordance with state guidelines and made available for review as required by law or policy.

5. Continuous Improvement: The procurement processes and policies will be reviewed regularly to adapt to new regulations, market conditions, and organizational needs to ensure continuous improvement and effectiveness.

IV. PROCEDURE

Step	Action/Instruction	Responsible Party
1.	An IAC Staff Member identifies a need for a service or goods and a potential Supplier that can provide it and notifies the Deputy Director & Chief of Staff (DDCS) for Approval.	IAC Staff Member
2.	DDCS will review the Budget Allocation to see if the services or goods have already been allocated to the IAC's Budget. If it is not allocated, DDCS and Executive Director (ED) will need to determine what is the funding source for this Procurement before approving it.	DDCS

3.	Based on the following chart, DDCS will determine what kind of Procurement is requested: <table><tr><td>If less than \$2,500</td><td>Memorandum of Agreement (MOA)</td></tr><tr><td>If more than \$2,500</td><td>Professional Service Agreement (PSA)</td></tr><tr><td>If a Product (>\$500)</td><td>Needs 3x Different Quotes from Vendors</td></tr><tr><td>If a Grant</td><td>Grant Agreement (GA)</td></tr></table>	If less than \$2,500	Memorandum of Agreement (MOA)	If more than \$2,500	Professional Service Agreement (PSA)	If a Product (>\$500)	Needs 3x Different Quotes from Vendors	If a Grant	Grant Agreement (GA)	DDCS
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If more than \$2,500	Professional Service Agreement (PSA)									
If a Product (>\$500)	Needs 3x Different Quotes from Vendors									
If a Grant	Grant Agreement (GA)									
4.	Administrative Assistant (AA) will confirm that the Supplier is registered with the Comptroller of State (COS).	AA								
5.	Based on the following chart, Financial Operations Manager (FOM) or DDCS will Create Requisition (REQ) and Purchase Order (PO): <table><tr><td>If less than \$500</td><td>No REQ or PO needed</td></tr><tr><td>If more than \$500</td><td>A REQ and PO is needed</td></tr></table>	If less than \$500	No REQ or PO needed	If more than \$500	A REQ and PO is needed	FOM or DDCS				
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6.	IAC Staff Member and Supplier will Co-Create a Statement/Scope of Work (SOW) and then send it to DDCS for Review and Approval.	IAC Staff Member								
7.	Based on Step 3, FOM or DDCS will then create either an MOA or PSA/GA in PeopleSoft SCM.	FOM or DDCS								
8.	OPS Staff will perform Clearance Checks (if needed) with DOR, DWD, SOS, and (if Federally Funded) SAM.GOV.	OPS Team								
9.	The SCM Document is sent to the Supplier via DocuSign for review and signature, followed by the ED . If it is an MOA, the document is signed by DDCS and approved.	ED or DDCS								
10.	SCM Document is sent for Approvals along with its corresponding REQ #: a. If GA: IAC > IDOA > SBA = Ready for Execution b. If PSA: IAC > IDOA > SBA > AGO = Ready for Execution	OTHER STATE AGENCIES								
11.	After Approvals, the SCM Document is then Executed, FOM or DDCS saves a copy on the IAC's SharePoint / P:Drive, and the Document is posted on the State of Indiana's Transparency Portal .	FOM or DDCS								
12.	Suppliers are now able to send invoices to the IAC for payment to their respective IAC Staff Member .	IAC Staff Member								

13.	IAC Staff Member will notify Data and Grants Systems Manager (DGSM) , FOM , and DDCS if a Contract Amendment needs to be made for the following reasons:	IAC Staff Member
	Final Grant Report Deadline Change	
	Contract Term Extension Change	
14.	FOM or DDCS will initiate Contract Amendment via SCM (following steps 9-11)	FOM or DDCS

– END OF PROCEDURE –

V. REFERENCES

a. Financial Management Circular (FMC)

- i. [FMC 3.1 – Contract Management \(January 1, 2022\)](#)
- ii. [FMC 3.2 – Delegation for Procurement Contract Approval \(January 1, 2022\)](#)
- iii. [FMC 3.4 – MOUs and MOAs \(March 1, 2024\)](#)

b. Indiana Department of Administration (IDOA)

- i. [Requirements to do Business with the State](#)
- ii. [2024 State Contract Seminar Presentation](#)

VI. REVISION HISTORY

Date	Revision Summary	Rationale	Owner/Approver
May 2024	SOP Implementation	New SOP	Zhang Sonera, A.
May 2025	SOP Revision	Scheduled	Zhang Sonera, A.; Pfendler, S.