



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 15 – Contract Administration 2.1	EFFECTIVE DATE: 09/16/1994
TITLE: Contract Supplements	REVISION DATE: 06/16/2014
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

A contract supplement for community aids contracts is a unilateral document requiring only the signature of the contracting division. Since local agencies are not required to sign contract supplements, they are an efficient means to increase funding to an agency when ***no other contract terms are changed.***

POLICY

Contract supplements may be used to increase funds and/or extend the contract period to a local agency for the same purpose as originally contracted. A contract supplement may **not** be used to provide new money for new purposes.

PROCEDURES

The BFS CARS Unit will process contract supplements only when used to increase funding to an agency for the same purpose as originally contracted. The BFS CARS Unit shall review contract supplements to assure that only the funding level and/or contract period have been changed. Changes in contract period may require a change to the final report due date. No other contract terms may be changed.

Sufficient Funding and budget must be available and verified by the Contracting division. If there are questions about sufficient funding the supplement request will be sent to the lead accountant for a determination.

The BFS CARS Unit shall return contract supplements to the contract division when new money is provided for new purposes.

The contracting divisions should establish procedures to review contract supplements for compliance to this policy prior to the contract supplement being submitted to the BFS CARS Unit.

REFERENCES

[DHS APP Section 15 – Contract Administration 4.0](#) (Standard Procedures for Developing, Issuing, and Processing Aids Payments)

[DHS APP Section 15 – Contract Administration 4.7](#) (Lengthening Contracts)

CONTACTS

[CARS Accountants](#)

[Lead Accountant](#)