

IDHS ADMINISTRATIVE PROCEDURES MANUAL

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ORS BUSINESS ENTERPRISE PROGRAM FOR THE BLIND

Preface to the BEPB Administrative Procedures Manual

Policies and procedures regarding the management and administration of the Illinois Business Enterprise Program for the Blind (BEPB) are established by the staff of the Office of Rehabilitation Services (ORS) who are involved in the management and administration of the BEPB in collaboration with the Illinois Committee of Blind Vendors (ICBV). In compliance with the Randolph-Sheppard Act and rules and regulations governing the BEPB, the ICBV actively participates in major administrative and policy and program development decisions regarding the BEPB. The ICBV plays an active role in decision making regarding major policy and procedural issues through discussions at regularly scheduled ICBV meetings as well as through subcommittee involvement. According to the administrative rules governing the ICBV, “active participation” does not mean concurrence on all issues, and where concurrence is not reached, ORS is given the ultimate authority to determine policies per 34 CFR 395. When concurrence is not reached on an issue, BEPB management must document both ORS’ and the ICBV’s positions on the issue and justify in writing the decision regarding the issue.

SECTION ONE—INTRODUCTION

1.1 PURPOSE OF MANUAL

A. The purpose of this Manual is to provide information and procedural guidance to assist in administration of the Illinois Business Enterprise Program for the Blind (BEPB). The information and guidance contained in this Manual is for the primary use of staff of the Office of Rehabilitation Services (ORS) who are involved in administration and management of the BEPB. [Return to Top](#)

1.2 SCOPE OF MANUAL

A. Key policies and procedures utilized in the overall management and administration of the BEPB are described in this manual. Due to both the nature of the program and

the role of ORS, the procedures and guidance in this Manual focus mainly on program finances and financial administration. Procedures and requirements pertaining to the operation of vending facilities are described in other BEPB procedural documents.

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1.3 ORGANIZATION OF MANUAL

A. This Manual is organized into the following sections:

Section One provides a general introduction to the Manual and information on the purpose, scope and organization of the Manual. It also describes the procedures used to update the Manual.

Section Two provides information on basic program finance. The structure and use of the specific BEPB accounts and subaccounts are described in this section. Page 1-2

Section Three describes the annual budgeting process utilized for the BEPB and includes a description of the responsibilities for preparing and approving BEPB annual operating budgets. This section also provides a format and procedures for the BEPB annual operating budget.

Section Four describes procedures related to program financial management and administration. Procedures for receipt and expenditure of program income, as well as other program accounting and financial management procedures, are included in this section.

Section Five provides information on program purchases. The procurement policies applicable to the BEPB are summarized, and purchasing procedures under these policies are specified. Requirements for sole source procurements and emergency purchases are also described.

Section Six describes procedures related to BEPB equipment purchases, maintenance and management. In addition to the property control procedures used for the program, this Section also describes the procedures under which ORS provides financial assistance to program Vendors for equipment repairs.

Section Seven describes ORS policies and procedures related to development and expansion of vending facilities. Responsibilities for facility expansion are identified, and the circumstances under which ORS directly operates BEPB facilities are identified.

Section Eight describes responsibilities and processing requirements and procedures for vendor agreements and contracts with facility sites. Page 1-3

Section Nine provides general information and guidance related to periodic assessments of Vendors, including assessments conducted through onsite visitations to BEPB facilities, through annual vendor evaluations and assessments made in conjunction with the vendor selection process.

Section Ten describes procedures for internal coordination and approval of disciplinary actions taken against Vendors.

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1.4 MANUAL UPDATING PROCEDURES

A. The procedural guidance included in this Manual will be updated as necessary in the future to ensure that it remains accurate and current. As changes are made, replacement pages will be issued to all holders of the Manual. Each replacement page will be dated with the effective date of the change and the ? symbol will be used to highlight the new or changed information on the replacement page.

B. Functional titles for BEPB administrative staff have been used throughout this Manual when identifying responsibilities of individual staff since individual position title may change over time. BEPB will periodically issue memoranda or other written clarifications, regarding this Manual, including any clarification needed regarding the responsibilities associated with these functional titles.

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SECTION TWO

PROGRAM FINANCE

2.1 GENERAL

A. Revenue supporting the operation of the BEPB comes from two general sources. Federal Vocational Rehabilitation funds made available to ORS and internally allocated to the BEPB, is the first source of funds. The second source of funds is income generated as a result of program operations.

B. All program income coming into the BEPB is accounted for through unique receipt subaccounts established with the Office of the Comptroller. Program expenses are accounted for through companion expenditure accounts established internally within ORS. The program's expenditure authority derives from an annual, lump sum appropriation for the Small Business Enterprise Program made by the Illinois General Assembly. [Return to Top](#)

2.2 FEDERAL FUND SUBACCOUNTS

–2.2.1 RECEIPT SUBACCOUNTS.

Subaccount ERM is the one receipt subaccount for Federal funds utilized in the BEPB. [Return to Top](#)

–2.2.2 EXPENDITURE SUBACCOUNTS.

The following eight expenditure subaccounts have been established for Federal funds used in the BEPB

A. Subaccount ERM1. Reserved.

B. Subaccount ERM2. This subaccount is used for purchase of vending facility equipment and to pay equipment-related expenses, such as moving costs and equipment repair and maintenance costs. The vast majority of Federal funds are used for equipment purchases. Page 2-2

C. Subaccount ERM3. This subaccount is used to pay expenses associated with

operation of the Illinois Committee of Blind Vendors, including expenses related to ICBV meetings. Costs of vendor selection committees are also paid out of this subaccount.

D. Subaccount ERM4. This subaccount is used to pay expenses associated with training ICBV members.

E. Subaccount ERM5. This subaccount is used to pay the Federal portion of program management costs such as accounting services.

F. Subaccount ERM6. This subaccount is used for costs associated with training BEPB Vendors.

G. Subaccount ERM7. This subaccount is used to pay warehousing costs for BEPB equipment.

H. Subaccount ERM8. This subaccount is used for program costs being paid with reallocated Federal funds. [Return to Top](#)

2.3 PROGRAM INCOME SUBACCOUNTS

A. Five subaccounts are used to account for income generated by BEPB operations and activity, and for the expenditure of this income. A separate receipt subaccount and an expenditure subaccount exists for each source of program income. All program income subaccounts are enumerated in the ER series. Page 2-3 [Return to Top](#)

–2.3.1 FEDERAL VENDING RESERVE–SUBACCOUNT ER61

A. Purpose. This subaccount is used for the receipt and expenditure of income from vending machines at Federal facilities which are not operated by blind Vendors.

B. Source of Income. According to Federal regulations (34 CFR 395.32), a portion of the income earned by non-BEPB Vendors operating facilities at Federal locations must be paid to the State. When received, this income is accounted for through the Federal Vending Reserve income account.

C. Allowable Uses. Federal Vending Reserve income may be used for:

- Establishing and maintaining retirement or pension plans for Vendors
- Making contributions to vendor health programs
- Providing paid sick and vacation time for Vendors
- Maintaining or replacing equipment
- Purchasing new equipment
- Providing management services
- Assuring a fair minimum return to Vendors.

In Illinois, annual contributions to this fund are divided equally among all current Vendors who managed program inventories for at least the last six months of the previous calendar year. Vendors are paid in a lump sum as a bonus (vacation) payment. Page 2-4 [Return to Top](#)

–2.3.2 PROGRAM DEVELOPMENT AND EXPANSION FUND

—SUBACCOUNT ER65

A. Purpose. This subaccount is used for the purpose of developing and expanding BEPB facilities for those Vendors electing to participate in the voluntary BEPB purchase of stock program.

B. Sources of Income. Income into the Program Development and Expansion Fund subaccount comes from two sources:

1. Profits from vending facilities, other than rest area vending facilities, which are operated directly by ORS. Generally, ORS temporarily operates vending facilities under two circumstances:

–for an initial start-up period for new facilities, and

–until a new vendor is selected to operate an existing facility which has been vacated due to the absence or retirement of the vendor for the facility.

Losses from ORS-operated facilities are also allocated to the fund.

2. Transfers made on a quarterly basis from the Purchase of Stock Fund when the balance in that fund exceeds \$75,000.

C. Allowable Uses. Funds available in this program income subaccount are used for:

–purchase of replacement equipment

–purchase of equipment to expand an existing facility

–costs for equipment repair and maintenance

–other costs to expand an existing facility such as remodeling and renovation costs.

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–2.3.3 REST AREA DEVELOPMENT FUND—SUBACCOUNT ER63

A. Purpose. This subaccount is used to finance the remodeling of rest areas to prepare them for use in the Vending Facility Program for the Blind.

B. Sources of Income. Income into the Rest Area Development Fund comes from two sources:

1. Profits from rest area vending facilities operated directly by ORS.

2. Commissions received for newspaper sales and sales from other publications sold at rest stops.

C. Allowable Uses. Funds available in this program income subaccount are used exclusively for construction of new BEPB facilities and remodeling costs associated with existing BEPB facilities at rest stops. [Return to Top](#)

–2.3.4 SET-ASIDE FUND—SUBACCOUNT ER62

A. Purpose. This subaccount is used to pay for a portion of the operating costs and administrative expenses associated with the BEPB.

B. Sources of Income. Income into the Set-Aside Fund comes from the set-aside fees assessed against all Vendors in the program. Fees are assessed at two levels:

1. 6 percent of net monthly profits for Vendors who assume responsibility for their

own accounting services Page 2-6

2. 9 percent of net monthly profits for Vendors electing to use accounting services provided by an accounting firm under contract to ORS.

C. Allowable Uses. Funds available in this program income subaccount may be used for:

- maintenance and replacement of equipment at vending facilities
- purchase of new equipment
- program management services
- assuring a fair minimum return to Vendors
- establishing and maintaining retirement and pension funds for Vendors
- sick leave and vacation time for Vendors. [Return to Top](#)

–2.3.5 PURCHASE OF STOCK FUND–SUBACCOUNT ER64

A. Purpose. This subaccount is used to generate additional income for development and expansion of existing facilities.

B. Sources of Income. Income into the Purchase of Stock Fund comes from Vendors who:

1. elect to purchase over time their inventory of stock by paying 2 percent of the net monthly proceeds towards the value of the starting inventory. Only those Vendors who make this election and who make monthly payments are eligible to receive funds from this subaccount.
2. require working capital advances and who are making scheduled repayments of the amount of working capital advanced. Page 2-7

C. Allowable Uses.

1. Program income deposited into the Purchase of Stock Fund is used to buy back inventory from Vendors:

- when they retire or otherwise leave the program, or
- when they transfer to a facility requiring an inventory value which is less than the inventory the transferring vendor owns at the facility being vacated.

2. Program income for purchase of inventory or repayment of working capital advances that accumulates to an amount greater than \$75,000 is to be transferred at the end of each calendar quarter to the Program Development and Expansion Fund. [Return to Top](#)

SECTION THREE

BEPB BUDGET 3.1

GENERAL

A. The BEPB Administrator, with the assistance of BEPB staff, is responsible for coordinating the preparation of an annual operating budget for the BEPB. This annual operating budget is to be consistent with the BEPB's Long Range Plan and

developed so that it reflects planned income and expenditures for the BEPB on a Federal fiscal year basis. The annual BEPB operating budget is to be prepared in accordance with the general procedures described in this section. [Return to Top](#)

3.2 BUDGET DEVELOPMENT

A. There are three phases to the process of developing the annual operating budget for the BEPB. They are:

1. the preliminary planning phase
2. the budget preparation phase, and
3. the budget approval phase.

The procedures for each of these phases are described in this section. [Return to Top](#)

–3.2.1 PRELIMINARY PLANNING PHASE

A. Five primary activities occur in the preliminary planning phase.

1. Review and Modification of the Long Range Plan. BEPB management and the ICBV must jointly review the Long Range Plan and make any necessary modifications, including the addition of Page 3- 2 specific goals for the upcoming year. The annual operating budget which is developed must be consistent with the modified Long Range Plan.

2. Estimate of Program Income. To estimate the amount of program income to be available for the budget year, the Program Operations Manager is to complete the BEPB Program Income Estimate schedule. This schedule identifies the amount of income received from each source during the most recent twelve-month period, and provides an opportunity to factor in the effects of any known variables impacting program income. Significant variables affecting the level of program income include:

- a. The number of vending facilities being operated directly by ORS and the relative profitability of those facilities.
- b. The impact of vendor profitability trends on set-aside amounts.
- c. The extent and costs of equipment repairs required and the associated impact on the availability of set-aside income.

3. Estimate of Ordinary Program Expenses. To estimate the ordinary expenses required for the program in the budget year, the Fiscal Operations Manager is to complete a separate BEPB Program Expense Estimate for Federal funds and for Program Income funds. These schedules identify actual expenditures by type for the most recently completed budget year, such as: Page 3-3

–equipment replacement and expansion

–equipment repairs and maintenance

–equipment moving and storage

–remodeling or renovation of current facilities, and

–program administration and management services, including costs for outside

accounting services, expenses related to the Illinois Committee of Blind Vendors, and training costs.

These schedules also factor in adjustments to these actual expenditure amounts.

These adjustments can be based on activity to date in the current budget year or on other known factors having an effect on budget year expenses. These factors might include:

a. Increases in fees required to obtain outside accounting services under the program.

b. Known increases in equipment costs for certain equipment items.

c. The level of remodeling or renovation required under the program.

4. Estimate of Program Growth. To estimate expenses required due to planned program growth, the Program Operations Manager completes the BEPB New Initiatives Estimate. This schedule estimates costs associated with program growth planned for the budget year. Included in these estimates are: Page 3-4

a. Costs of equipment to be purchased for the new facilities.

b. Costs of major remodeling, renovation or construction costs associated with new facilities.

c. Estimated lease costs to be borne by ORS during the development stage of a new vending facility.

d. Assumptions regarding the schedule by which any new facilities will be opened. e. Other anticipated costs reasonably associated with new facility expansion.

5. Additional Input from the Illinois Committee of Blind Vendors (ICBV). After income, ordinary expenses related to facility operations and program administration and management, and expenses for growth have been estimated, the BEPB Administrator is to obtain input from the ICBV related to these projections. As part of this process, the BEPB Administrator is to solicit information from the ICBV regarding additional budget initiatives to the extent funds estimated to be available are not fully required for the ordinary expenses and growth of the program. [Return to Top](#)

—**3.2.2 BUDGET PREPARATION PHASE A.** The BEPB Administrator is to prepare a formal operating budget based on the information and input gathered during the preliminary planning phase. This budget is prepared using BEPB Annual Operating Budget forms. Page 3-5

1. BEPB Operating Budget for Federal Funds. This form identifies operating budget expenses during the fiscal year which will be paid from Federal funds.

2. BEPB Operating Budget for Program Income Funds. This form identifies operating budget expenses during the fiscal year which will be paid from program income funds.

3. BEPB Budget Summary. This form summarizes the income and expense budget by fund source for the fiscal year. [Return to Top](#)

–3.2.3 BUDGET APPROVAL PHASE

A. Once they are completed, the BEPB Operating Budget forms are to be submitted by the BEPB Administrator to the Chief, Bureau of Blind Services. The forms are to be accompanied by an explanatory narrative highlighting significant budget issues or concerns, including any concerns or issues raised by the Illinois Committee of Blind Vendors. The Chief, Bureau of Blind Services must approve the annual BEPB operating budget.

B. Upon approval of the annual BEPB operating budget by the Chief of the Bureau of Blind Services, the BEPB Administrator is to distribute a copy of the approved budget to:

1. The Associate Director of the Office of Rehabilitation Services
2. The Illinois Committee of Blind Vendors
3. The accounting firm under contract to ORS to provide accounting services to the BEPB. Page 3-6 [Return to Top](#)

3.3 BUDGET DEVELOPMENT SCHEDULE

A. The annual operating budget for the BEPB is to be completed according to the following schedule:

1. Preliminary Planning Phase.
 - a. March 31: Income, expense and growth estimates completed
 - b. April 30: Input obtained from the Illinois Committee of Blind Vendors
 - c. May 31: BEPB Operating Budget forms submitted for approval to the Chief, Bureau of Blind Services
 - d. June 30: BEPB operating budget approved, subject to the appropriations process
Final operating budget for the fiscal year distributed. [Return to Top](#)

3.4 BUDGET MONITORING

A. The BEPB Administrator is responsible for reviewing a comparison, prepared by the Fiscal Operations Manager, of actual operations to the projected operating budget at least once monthly. Identified budget issues or concerns including recommendations to make budget adjustments are to be documented and presented by the BEPB Administrator to the Chief, Bureau of Blind Services for resolution.

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SECTION FOUR–

BEPB FINANCIAL MANAGEMENT AND ACCOUNTING

4.1 OVERVIEW

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- A. The Equipment Specialist is responsible for coordination of an annual physical inventory for every vendor facility location, including the BEPB warehouse.
- B. The annual inventory is to be completed for all locations by October 1st of each year. The following procedures for taking inventory are provided below.
1. The Equipment Specialist prints the current inventory listing for each location from Common Systems.
 2. Complete the following to take inventory at the location:
 - a. Record the condition of each equipment item (excellent, good, needs repair, etc.) on the inventory listing for the location.
 - b. For any equipment at the location lacking an inventory tag number, record a brief description of each equipment item and the serial number for the equipment item.
 - c. Identify any equipment which is included on the inventory listing for the location but which cannot be located. Page 6-18
 3. After conducting the physical inventory, the Equipment Specialist must prepare a report for each location on the results of the inventory. This report must identify any discrepancies between the equipment information maintained on Common Systems and the equipment information gathered when taking inventory. The Equipment Specialist must follow these procedures to resolve any discrepancies.
 - a. Attempt to resolve all discrepancies cited on the report. Possible explanations for discrepancies may include instances when a change in equipment status has occurred but has not yet been recorded on Common Systems, or when equipment has been lost or stolen.
 - b. After making reasonable efforts to resolve any discrepancies, identify any equipment determined to be missing from the facility. Provide in the report a written explanation of what may have happened to the equipment. The discrepancy report is to be provided to the BEPB Administrator, who will approve it before distribution. The BEPB Administrator is responsible for determining whether the vendor is to be charged for the replacement cost of the missing equipment.
 - c. Distribute the report on the results of the equipment inventory for each facility to each of the following individuals:
 - 1) one copy to the BEPB Administrator or designee for filing in the BEPB Equipment Inventory file,
 - 2) two copies to the business consultant assigned to the facility for filing in the facility files maintained by the business consultants. [Return to Top](#)

SECTION SEVEN–
FACILITY DEVELOPMENT AND EXPANSION
7.1 OVERVIEW

A. ORS strives to increase the number of vending facility management opportunities available to people who are blind by expanding existing facilities and adding new ones. This section provides information and guidance related to development and expansion of BEPB facilities.

7.2 FACILITY EXPANSION

A. Decisions regarding expansion of facilities are generally, but not always, made in the context of developing the annual operating budget as described in Section Three. This requires that all requests for expansion be coordinated with the budget development schedule as described in Section 3.3. [Return to Top](#)

–7.2.1 FACILITY EXPANSION REQUESTS

A. The following procedures are to be followed to request expansion of a current vending facility:

1. The vendor completes a written Request for Expansion of Facility Form which identifies expansion needs and estimates the effects of the expansion on the current profitability of the facility.

2. All requests for remodeling a facility must be submitted to the Program Operations Manager by January 31 of each year. Page 7-2

B. Unanticipated needs or opportunities may lead to facility expansion requests made outside of the context of the annual operating budget. As these situations arise, the vendor or business consultant is to complete a written Request for Expansion of Facility Form and submit it to the Program Operations Manager for consideration. [Return to Top](#)

–7.2.2 DECISIONS ON EXPANSION REQUESTS

A. The Program Operations Manager is responsible for reviewing all facility expansion requests and for determining which requests to propose to the BEPB Administrator for inclusion in the annual BEPB operating budget. In making these determinations, the Program Operations Manager and the BEPB Administrator shall consider:

1. Whether the expansion request should be treated as an expansion of a current facility, as a satellite to a current facility or as a new facility altogether.

2. Whether the expansion requested is allowable under the terms of the contract or site agreement for the building in which the BEPB facility is located.

3. Whether the expansion request places the current facility in competition with another BEPB facility.

4. The likely impact of the expansion on the management and operational capacity of the vendor. Page 7-3

B. Remodeling requests approved by the BEPB Administrator are to be included in the budget projections to be shared with the ICBV as described in section 3.2.1(A)(5).

C. Expansion requests received by the Program Operations Manager outside of the

context of developing an annual operating budget for the BEPB program will be considered within the constraints of the available budget. [Return to Top](#)

7.3 ADDITION OF NEW FACILITIES

–7.3.1 IDENTIFICATION OF POTENTIAL NEW FACILITIES

A. Decisions regarding the addition of new facilities to the BEPB program are also generally made in the context of developing the annual operating budget as described in Section Three. This requires that decisions about establishing new BEPB facilities be coordinated with the budget development schedule as described in Section 3.3.

B. The Program Operations Manager is responsible for developing an annual new BEPB facility development plan and a corresponding New Initiatives Estimate in conjunction with the budget development process. This plan is to be approved by the BEPB Administrator and reviewed with the ICBV as described in Section 3.2.1(A)(5).

C. In addition to new facilities which are considered within the context of developing an annual operating budget for the BEPB program, other growth opportunities may arise and warrant consideration during the course of the year. When these opportunities arise, they are to be considered within budgetary constraints as they exist at the time. Page 7-4

D. In determining whether to include a proposed new facility in the annual new BEPB facility development plan, the Program Operations Manager and the BEPB Administrator shall consider:

1. the expected costs associated with opening the new facility
2. the level of risk to ORS in opening the new BEPB facility
3. the favorability of the lease or other terms for the site on which the BEPB facility is to be located
4. the anticipated profitability of the new facility and its ability to sustain itself as a profitable BEPB facility
5. the effects, if any, the new facility is expected to have on the profitability of other BEPB facilities, and
6. any strategic importance or benefits the facility may offer for the program in general. [Return to Top](#)

–7.3.2 IMPLEMENTATION PLANNING FOR NEW FACILITIES

A. Whether approved as part of the process of developing an annual operating budget, or during the course of the year, the Program Operations Manager is to ensure that an implementation plan is developed for each new BEPB facility. Each implementation plan shall:

1. specify a target date for opening the new BEPB facility Page 7-5
2. establish a budget for the costs associated with opening the new BEPB facility

3. identify any goods or services required to open the new facility which cannot be met with existing contracts, set forth a schedule for procuring goods and services needed to open the new facility, and identify the BEPB staff person with responsibility for coordinating required procurement activity
4. establish a list of tasks or activities related to opening the new facility and a schedule for the completion of those tasks or activities, and
5. identify the BEPB staff person with responsibility for coordinating all activity related to opening the new facility. [Return to Top](#)

–7.3.3 OPERATION OF NEW AND EXISTING FACILITIES BY ORS

A. ORS is responsible for operating both new and vacant facilities until Vendors or interim managers are selected to manage those facilities. In general, the following guidelines are to be followed by the Program Operations Manager and the BEPB Administrator in determining the length of time ORS will operate profitable facilities:

1. New facilities must be bid within 6 months after opening.
2. Existing facilities must be bid within 3 months after vacancy. Page 7-6

If the BEPB determines that an exception to these guidelines is necessary for a specific facility, the Program Operations Manager will discuss with the ICBV any reasons for extending the length of time ORS operates the facility and include documentation supporting the extension in BEPB files.

B. If a new or existing facility remains unprofitable after ORS has operated the facility for the maximum length of time allowable under the guidelines above, the Program Operations Manager is to conduct a formal study on the facility and make recommendations to the ICBV. These recommendations must include the following, at a minimum:

1. an explanation of the reason(s) why the facility is unprofitable
2. identification of any future opportunities identified by the BEPB for increasing the profitability of the facility through facility expansion or combination (e.g., addition of a satellite location, combination of two separate facilities into one facility)
3. a description of other specific strategies for increasing the profitability of the facility (e.g., product changes, equipment changes), and
4. a recommendation on whether the facility should be retained or closed. [Return to Top](#)

SECTION EIGHT–

VENDOR AGREEMENTS AND SITE CONTRACTS

8.1 AGREEMENTS WITH VENDORS

A. A vendor agreement must be established between ORS and every vendor assigned to a vending facility. These agreements describe in detail the terms and conditions related to operating a BEPB facility, including ORS' responsibilities as the Illinois State Licensing Agency as well as the vendor's responsibilities under the

agreement. [Return to Top](#)

–8.1.1 RESPONSIBILITIES

A. The Supervisor of Personnel is responsible for assuring that an agreement is established with every vendor and that the terms and conditions described in the vendor agreement accurately reflect the roles and responsibilities assigned to ORS and to the vendor. A new vendor agreement must be established when a vendor is awarded a different facility.

B. The Supervisor of Personnel is responsible for assuring that Vendors comply with the terms and conditions of the agreement and for initiating appropriate disciplinary action for any violation of the agreement. [Return to Top](#)

–8.1.2 PROCESSING REQUIREMENTS

A. The Supervisor of Personnel is responsible for preparing the vendor agreement and providing it to the vendor for signature within two days after a decision has been made to award a facility to the vendor. The signed agreement is then forwarded to the office of the Associate Director of Offerors for signature. Page 8-2

B. A copy of the agreement is to be kept in the vendor's Facility Manual, the business consultant's file, and the BEPB file.

8.2 SITE CONTRACTS

A. ORS shall establish, where practical, a site agreement with building management for operation of every vending facility. These agreements describe requirements related to operating the facility within the building. [Return to Top](#)

–8.2.1 RESPONSIBILITIES

A. Business consultants are responsible for gathering the data necessary to establish site agreements for BEPB facilities.

B. The Fiscal Operations Manager or designee is responsible for managing a process to ensure there are appropriate agreements with building management prior to operation of vending facilities as follows:

1. To establish any BEPB facility on Federal property, other than a cafeteria, an application for a BEPB facility permit is to be submitted to the head of the Federal property managing department, agency, or instrumentality in accordance with 34 CFR 395.16.

2. To operate a cafeteria on Federal property, an offer to operate the cafeteria must be submitted in response to a solicitation for offers. An agreement or contract is awarded on a competitive basis to the successful offeror.

3. To operate other vending facilities not on Federal property, an agreement or contract shall be established with building management. Page 8-3

C. The business consultant assigned to the facility is responsible for attending all meetings attended by the vendor and building management. [Return to Top](#)

–8.2.2 PROCESSING REQUIREMENTS

A. The Fiscal Operations Manager or designee is responsible for the development of an appropriate agreement or contract with the building management prior to operation of a BEPB facility.

B. A copy of the site agreement for each facility must be kept in the Facility Manual maintained by the vendor, the business consultant's file for the facility, and the BEPB facility file.

–8.2.3 PROBLEMS AND DISPUTES

A. All problems and disputes presented by building management regarding BEPB facility operations are to be referred to the BEPB contact identified in the site agreement/contract for the facility. If the business consultant assigned to the facility is the BEPB contact, the business consultant is responsible for immediately meeting with the vendor and building management to discuss and resolve the problem or dispute.

B. If the business consultant assigned to the facility is not the BEPB contact identified in the site agreement/contract, the business consultant is required to meet with the vendor and building management, immediately after being notified by the BEPB contact identified in the contract, to discuss and resolve the problem or dispute. The business consultant is to report the results of the meeting to the BEPB contact, who will take any further necessary action.

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SECTION NINE–VENDOR ASSESSMENT ACTIVITIES

9.1 STRUCTURE FOR VENDOR ASSESSMENTS

A. The BEPB business consultants are responsible for regularly assessing vendor performance and for assisting Vendors in establishing goals for improving performance where needed. Three assessment methods are used to evaluate performance:

1. a periodic on-site assessment process for evaluation of vendor performance against specific performance measures
2. an annual performance evaluation process which is directly linked to the results of periodic on-site assessments, and
3. a competitive rating process used to select Vendors to operate BEPB facilities based on their past performance and capabilities.

B. BEPB business consultants are responsible for assessing vendor performance in compliance with the requirements described in this Section. The BEPB Administrator is responsible for assuring that the vendor assessments provided by the business consultants are fair and equitable.

C. Periodic on-site assessments and annual performance evaluations must be provided for the following Vendors:

1. licensed Vendors assigned a facility, and

2. BEPB certified replacement managers who have been licensed or have successfully completed training. Page 9-2

D. Business consultants are to use the Field Operations Report Comments form as needed to supplement the performance ratings and goals recorded on the Field Operations Report. The Field Operations Report Comments form may also be used during more informal visits made to vending facilities. [Return to Top](#)

–9.1.1 PERIODIC ON-SITE ASSESSMENT

A. A periodic on-site assessment must be conducted for each vendor at least semi-annually for each facility to which the business consultant is assigned. The business consultant is required to rate performance on the Field Operations Report using performance attributes established and periodically updated by the Program Operations Manager as a guide.

B. The Program Operations Manager may determine, based on the type of facility, the vendor's experience, and input from the vendor's assigned business consultant, when assessments for any individual vendor should be conducted more frequently than semi-annually.

C. The business consultant is responsible for assisting the vendor in establishing specific and measurable goals for improving performance in all areas where performance is rated as less than satisfactory. [Return to Top](#)

–9.1.2 ANNUAL VENDOR EVALUATION

A. Business consultants are required to conduct annual performance evaluations for all Vendors. Business consultants are to follow these additional procedures when completing the Annual Vendor Performance Evaluation Form. Page 9-3

1. Review vendor performance ratings on Field Operations Reports completed for the vendor during the past year.

2. Compare vendor performance on each measure listed on the Annual Vendor Performance Evaluation Form to the performance attributes established jointly by the business consultants for annual vendor performance evaluations.

3. When applying vendor performance to the performance attributes, give appropriate consideration to improvements in performance which the vendor has achieved. Performance which has steadily improved throughout the year should be rated better than performance which has steadily declined throughout the year.

B. The Program Operations Manager may request a business consultant to re-evaluate vendor performance if performance as rated on the Annual Vendor Performance Evaluation Form is significantly different from performance as rated on the Field Operations Reports completed during the past year. [Return to Top](#)

–9.1.3 COMPETITIVE RATING OF VENDOR QUALIFICATIONS AS PART OF FACILITY ASSIGNMENT DETERMINATIONS

A. Vendor assignments to facilities are made through the BEPB vendor selection

process. This process involves establishment of a Selection Committee charged with evaluating and rating vendor applicant qualifications using the Selection Committee Rating Form.

B. The BEPB Administrator is responsible for assuring that the vendor selection process is conducted in compliance with the requirements included in Section 650.90 of the State Rules on Awarding Facilities. Page 9-4 [Return to Top](#)

9.2 PROCEDURES FOR ENSURING CONSISTENT VENDOR ASSESSMENTS

A. The BEPB Administrator, Program Operations Manager and Supervisor of Personnel are responsible for assuring that the vendor assessment process is structured to achieve consistency in performance ratings among business consultants. This consistency may be achieved through use of uniform rating scales, application of performance attributes established by business consultants for periodic and annual rating of performance, and periodic reviews of completed vendor evaluation forms to judge consistency. [Return to Top](#)

–9.2.1 UNIFORM RATING SCALES

A. The BEPB Administrator, Program Operations Manager, and Supervisor of Personnel are responsible for ensuring that a consistent rating scale is developed and uniformly applied to all performance assessments, including periodic and annual assessments of performance, as well as assessments as a part of the vendor selection process.

B. The BEPB Administrator, Program Operations Manager and Supervisor of Personnel are responsible for regularly reviewing vendor assessments to assure that the rating scale is used fairly and consistently among business consultants. [Return to Top](#)

–9.2.2 DEVELOPMENT OF RATING CRITERIA BY BUSINESS CONSULTANTS

A. The BEPB Administrator, Program Operations Manager and Supervisor of Personnel are required to develop performance attributes which can be used as a guide for business consultants in determining how performance related to each performance measure should be rated. These attributes may be used Page 9-5 to define performance in terms of quantity or quality and should be as specific as possible to assure that all business consultants interpret them in the same way.

B. For each measure included on the Field Operations Report, the BEPB Administrator, Program Operations Manager and Supervisor of Personnel are to develop, and refine over time, two or three attributes for each performance rating (e.g., excellent, very good). These attributes are to be used as a guide by the business consultant to determine which performance rating to award the vendor based on demonstrated performance.

C. For each measure included on the Annual Vendor Performance Evaluation Form, BEPB Administrator, Program Operations Manager and Supervisor of Personnel are

to develop, and refine over time, two or three attributes for each performance rating which are different from the performance attributes developed for the Field Operations Reports. These attributes must be linked directly to performance ratings provided on the Field Operations Reports completed for the vendor during the past year. For example, one attribute describing excellent performance regarding a specific performance measure on the annual evaluation may require the vendor to have achieved all excellent ratings on related performance measures included on the Field Operations Report.

D. The BEPB Administrator is responsible for reviewing and approving all performance attributes as they are developed and refined by the Program Operations Manager and Supervisor of Personnel. Page 9-6 [Return to Top](#)

–9.2.3 PERIODIC REVIEW OF RATING CRITERIA

A. The BEPB Administrator, Program Operations Manager and Supervisor of Personnel, with assistance from the business consultants, are to annually review and make necessary revisions and refinements to all performance attributes used to rate vendor performance.

B. Revised performance attributes must be approved by the BEPB Administrator before they are utilized by business consultants to guide vendor performance assessments. [Return to Top](#)

SECTION TEN–

DISCIPLINARY ACTIVITIES

10.1 GENERAL RESPONSIBILITIES RELATED TO DISCIPLINARY ACTIVITIES

SECTION TEN–

DISCIPLINARY ACTIVITIES

10.1 GENERAL RESPONSIBILITIES RELATED TO DISCIPLINARY ACTIVITIES

A. All BEPB administrative staff are responsible for taking appropriate and authorized disciplinary action within the required timeframes whenever a vendor violation of BEPB rules, policies or procedures is identified. All disciplinary activities are to include clear communication to Vendors on the specific violation that occurred, the corrective action required in response to the violation, and the consequences of not implementing appropriate correction action.

B. Business consultants are responsible for providing guidance to Vendors in implementing required corrective action and avoiding further disciplinary action.

C. The Supervisor of Personnel is responsible for maintaining all files containing documentation regarding vendor disciplinary action. [Return to Top](#)

10.2 KEY DISCIPLINARY PROCEDURES

A. BEPB administrative staff are to follow the disciplinary procedures for Vendors provided in Section 650.110 of the State Rules.

B. Written reprimands are also to be provided in accordance with the ORS BEPB Written Reprimand Procedure. [Return to Top](#)

10.3 AUTHORIZATION FOR DISCIPLINARY ACTION

A. Authority for administering disciplinary action is provided to BEPB administrative staff as follows: Page 10-2

1. Lead Vendors are authorized to provide oral reprimands to other vendor(s) at the same facility and to prepare a Written Report of Oral Reprimand.

2. Business consultants are authorized to:

a. provide an oral reprimand to a vendor and prepare a Written Report of Oral Reprimand,

b. recommend a written reprimand to the Supervisor of Personnel, and prepare a written reprimand memorandum, including a Rules Violation Report, observation reports, and additional background notes, and

c. make recommendations regarding suspension, loss of facility or termination of license.

3. The Supervisor of Personnel is authorized to:

a. overturn oral reprimands provided by business consultants

b. provide written reprimand to Vendors, and

c. determine the appropriateness of and recommend immediate vendor suspensions as well as other vendor suspensions.

4. The BEPB Administrator is authorized to:

a. determine the appropriateness, length, and effective date of vendor suspensions and provide Notices of Suspension to Vendors Page 10-3

b. initiate immediate inventory of all stock, equipment and documents for the facility

C. make decisions regarding vendor loss of facility or termination of license.

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