

Important
Notice

Action Memo #3

TO: ALL VIDE Program Managers
FROM: María Meléndez-Tirado
Federal Grants Director
DATE: September 11, 2015
SUBJECT: Purchase Order (PO) Requirement

Pursuant to Federal Government special conditions through the US Department of Education (USED) to VIDE, the BCA-Third Party Fiduciary (BCA-TPF) has the mandate to oversee the VIDHS and VIDE's federal fiscal activities. This vested authority includes the use of fiscal control and accounting procedures that meet the requirements imposed on non-State governmental grantees in accordance with 34 CFR 80.20(b) and 80.21 and **permit funds to be spent only for allowable costs** of programs under the USED grants, in accordance with 34 CFR 80.22. (USED Special Condition Letter to GVI Governor, 2014).

The implementation of the Special Conditions and BCA-TPF Scope of Work do not limit the ability of VIDE to procure goods and/or services using non-Federal funds (e.g. local funds). Additionally, the VIDE *may* enter to a binding contract with other entities with the intent of using Federal fund, **however**, such contracts **will neither bind nor create obligations for BCA-TPF** to release Federal funds. Therefore, contracts without BCA-TPF purchase orders (PO) are local government obligations, not Federal fiscal obligations.

The PO that BCA-TPF generates serves as a certification of an allowable cost and an obligation that meet Federal regulations, special conditions, and GVI policies and procedures. Any VIDE's procurement activity (e.g. contractual services, purchase of computers, etc.) **without a BCA-TPF PO**, regardless of the intent to use Federal funds, is an **obligation against local funds**. Based on the Federal Government special conditions, the **ONLY** instrument that could obligate Federal funds is the BCA-TPF PO. At this time, there are **NO EXEPTIONS**.

The VIDE procurement policies and procedures require that due diligence and vetting for goods or services must be done before acquisition (PRO 2.0-12, 2014). Similarly, in using Federal funds, no acquisition of goods or rendering of services must occur without BCA-TPF's due diligence and vetting. **The BCA-TPF PO is the manifestation of due diligence.**