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COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of Statewide Reporting and Accounting Policy**

May 18, 2015

**OSRAP MEMORANDUM 15-24**

TO: Fiscal Officers  
All ISIS Agencies

FROM: John McLean, CPA  
Interim Director

SUBJECT: Vendor Payment Offset Program (VPOP)

The Vendor Payment Offset Program (VPOP) will resume on June 1, 2015 following a temporary suspension for programming changes. As stated in OSRAP Memorandum 15-12, VPOP is a Department of Revenue, Office of Debt Recovery (LDR/ODR) program. Under this program, debts owed to the State or federal government by vendors are satisfied by withholding all or a portion of payments issued by the State. Public assistance/grant payments are precluded from being used to offset State or federal debts owed by the recipient.

In order to prevent public assistance/grant payments from being reduced to satisfy debts, agencies are required to code function code "GRNT" on all public assistance/grant payment transactions in ISIS. Agencies should begin coding "GRNT" on applicable payment transactions **effective immediately**.

Public assistance/grant payments are defined as all payments, regardless of funding source, made to payees other than vendors. Please refer to the attachment for guidance in determining whether payees are vendors. Please note that the payee is the sole factor in determining whether a payment is a public assistance/grant payment. The funding source of the payment does not influence the determination.

If you have any questions on this memo, please call the OSRAP help desk 225-342-1097.

JBM:jbl

Attachment

The following are characteristics of a vendor:

1. Provides the goods and services within normal business operations. For example:
  - a. Organization exists for the purpose of providing particular goods or services.
  - b. Organization receives little, if any, instruction from the paying entity as to how the organization goes about producing the goods or services.
  - c. Organization generally receives payment after delivery of a particular good or service.
  - d. Organization invoices paying entity in the organization's normal way and is not required to submit a comprehensive closeout package at the end of the agreement.
  - e. Organization assumes the risk if cost of performance increases or requires more time than expected.
  
2. Provides similar goods or services to many different entities. For example:
  - a. Organization provides similar goods or services to a number of entities in addition to the paying entity.
  - b. Services provided are of a repetitive nature.
  - c. Goods provided are commonly available.
  
3. Operates in a competitive environment. For example:
  - a. Organization competes with other organizations to provide a similar good or service.
  
4. Provides goods and services that are ancillary to, or in support of, the operation of the paying entity. For example:
  - a. Organization provides a good or service (in a manner that does not create a subrecipient relationship) which enables the paying entity to carry out its primary operating purpose.
  - b. Organization provides a particular good or service that enables the paying entity to operate, e.g. office supplies, janitorial services, equipment, staff development, printing, travel, etc.
  
5. Is not subject to compliance requirements. For example:
  - a. Organization is not responsible for compliance with applicable statutes, regulations, rules, policies or guidance.
  - b. Paying entity does not provide the organization with technical assistance or training with regard to any program requirements.
  - c. Paying entity does not monitor the organization for compliance with project requirements.