



STATE OF LOUISIANA · OFFICE OF STATE INSPECTOR GENERAL

Angele Davis, State Inspector General and Chief Integrity Officer

October 21, 2026

The Honorable John C. Fleming, MD
State Treasurer
Louisiana Department of the Treasury
Baton Rouge, Louisiana

Re: Recommended controls for line-item appropriations to nongovernmental organizations, and the revised line-item cooperative endeavor agreement template approved by the Commissioner of Administration

Dear Treasurer Fleming:

Governor Jeff Landry has made protecting Louisiana taxpayers from fraud, waste and abuse a priority of his administration. In Executive Order JML 26-069, he directed the State Inspector General to launch the Louisiana Taxpayer Protection Initiative, declared that "the people of Louisiana are entitled to a government that safeguards every taxpayer dollar," and named "grants and grant subrecipients (including nonprofit and non-governmental organizations)" among the programs the Initiative must address first. The order also names the Department of the Treasury as a partner agency. The recommendations in this letter are a product of that Initiative.

This office recommends that the Department of the Treasury pay nongovernmental recipients of line-item appropriations by reimbursement, screen each recipient before its cooperative endeavor agreement (CEA) is executed and again before each payment, and write those requirements into its line-item CEA before the remaining fiscal year 2026-2027 funds are paid. The ten recommendations below come from this office's investigations and its review of the 2026 appropriation acts and four recent cases. This office and Commissioner of Administration Taylor F. Barras revised the State's line-item CEA template together to put each one into the agreement, and Commissioner Barras approved the revised template on October 21, 2026, which is enclosed. None of the recommendations requires legislation.

Treasury pays most of this year's NGO dollars. Acts 3 and 961 of the 2026 Regular Session make 272 nongovernmental organizations payable this year, for \$113,549,371 in line-item appropriations. Treasury pays \$107,193,571 of that, or 94 percent, through Schedule 20-945: \$105,333,571 directly to 255 organizations and \$1,860,000 through cities and parishes for five more. Act 3 funds fiscal year 2026-2027, and Section 3(A) of Act 961 deems each of its appropriations a bona fide obligation of the state through June 30, 2027. Because these amounts are appropriation authority rather than payments, controls adopted now still reach every dollar Treasury has not yet disbursed.

The losses follow one pattern, and Treasury's own review found most of them. In each case the state paid an advance on a file that showed unnamed vendors or a one-person board, and learned what happened only when a cost report arrived late, unsupported or not at all. Treasury's cost-report review produced the referrals in two of them.

- **National Association for African American Economic Development (NAAAED).** Treasury advanced \$400,000 of an \$800,000 appropriation in March 2024. The Legislative Auditor found \$205,123 moved out of the dedicated account within six months and no progress or cost report filed. Treasury's referral in August 2024 stopped the second \$400,000.
- **Divine Kingdom Ministries.** After a \$37,500 advance on a \$75,000 appropriation, Treasury flagged the first cost report and referred it to this office. Our investigators built the case and requested the assistance of Attorney General Liz Murrill's Louisiana Bureau of Investigation, whose agents arrested the director on September 22, 2026 on felony theft and false public records charges. The charges remain allegations until proven in court.
- **A fiscal year 2026 Treasury recipient.** Treasury paid a \$50,000 advance on February 4, 2026. The cost report names no vendor, \$13,000 of the \$46,615.88 claimed went to connected parties, and the appropriation lapsed on June 30, 2026.
- **A fiscal year 2025 Treasury agreement (\$250,000).** It was executed with both subcontractors, 90 percent of the award, listed as "To be determined" and Attachment E-1 blank; one person served as sole board member, agent, president and signer of an entity registered five months before the term; the budget carried a \$25,000 flat administrative fee; the only performance measure was the amount spent; and a 50 percent advance was approved on a one-sentence justification. Each defect was on the face of the file before the agreement was signed.

The Legislative Auditor's noncompliance list of September 30, 2026 also included three Act 3 and Act 961 recipients, the Louisiana Sports Hall of Fame Foundation (\$100,000), Thrive New Orleans (\$51,500) and Broad Community Connections (\$50,000), and this office is confirming a possible fourth match. La. R.S. 39:72.1(A)(1) bars release of appropriated funds to a recipient for as long as it fails to comply with R.S. 24:513, unless the Auditor has granted an extension.

Recommendations. Figure 1, following the signature page, shows where each control enters the process today and who owns it.

#	Recommendation	What our reviews found	CEA redline
1	Pay by reimbursement. Keep reimbursement as the default, as Section 4.1 of the current template provides. Allow an advance only if the recipient passes pre-screening and a documented liquidity test and the Commissioner of Administration approves it in writing, and cap it at 25%. Replace the template's reference to a 100% advance and its bracketed 25% guideline with an operative advance clause, and conform Treasury's own agreement form, which still offers a 50% advance (Plan B) and a 100% advance (Plan C), to the same terms. Pay agreements not yet executed for priority recipients by reimbursement until this office completes its screen.	Advances of \$400,000 (NAAAED), \$50,000 (a 2026 recipient) and \$37,500 (Divine Kingdom) paid before performance; a 50% advance on a FY2025 agreement approved on a one-sentence justification.	§§ 4.1, 4.2.1; Att. B-Supplement
2	Name every vendor before execution. Do not execute an agreement with a blank Attachment E-1 or a vendor listed as "to be determined." On executed agreements, pay nothing toward a subcontract until the vendor is named.	90% of a FY2025 agreement's award assigned to two "To be determined" subcontractors; the 2026 recipient's vendors still "TBD" in its cost report.	§§ 2.3, 2.5, 4.2.2; Att. B p. 3, E-1

#	Recommendation	What our reviews found	CEA redline
3	Check identity and governance. Reconcile the officer roster to the Secretary of State record and Form 990 and the W-9 to the entity type; screen one-officer and newly formed entities. Require every subrecipient to apply and execute its own agreement before it is paid.	FY2025 agreement: one person as sole director, agent, president and signer, registered five months before the term; the 2026 recipient listed one of seven officers.	§§ 2.5-2.7
4	Confirm Auditor compliance before every payment. Check the Legislative Auditor's noncompliance list before each payment, not only at execution, and treat the R.S. 39:89.3(A)(1) package as complete only on the Auditor's formal acceptance.	Three Act 3 and Act 961 recipients, and a possible fourth, were on the Auditor's September 30, 2026 noncompliance list.	§§ 2.5, 4.3; Att. E
5	Screen conflicts, insiders and criminal history. Match officers and vendor principals against state payroll and officials lists, with this office's help. Require disclosure of planned insider payments with board approval and a signed attestation with each cost report, and a certification on fraud-related convictions. Disallow and recover any payment R.S. 39:89.3(B)(1)(a) prohibits.	The 2026 recipient paid \$13,000 (27.9% of claimed costs) to connected parties.	§§ 2.8-2.10, 4.4; Att. E
6	Cap administrative costs at 10% of modified total direct costs, paid only as direct costs are incurred and supported by actual cost.	FY2025 agreement: \$25,000 flat "Administrative Fee"; the 2026 recipient withdrew a \$5,000 fee eight days after its advance.	§ 2.11; Att. B
7	Require a dedicated account, two signers or board approval for each payment, and bank statements with every cost report.	NAAAED moved \$205,123 out of its account within six months.	§§ 2.2, 2.12
8	Verify the work and enforce reporting. Reject measures that count only dollars spent. Hold the next payment when a report is 30 days late and notify this office. Confirm performance independently before any second or later payment. Demand return of advanced funds not supported by a filed report.	The FY2025 agreement's only measure was the amount spent; NAAAED filed no report; none of the 2026 recipient's eight reports was approved.	§§ 2.2, 3.2, 4.2.2, 4.4; Att. A
9	Run a do-not-pay screen on the recipient, officers, vendors and subrecipients before execution and before every payment.	No screen exists today at either point.	§ 3.2
10	Track lapse dates, share data and secure records and recovery rights. Record each agreement's lapse date and issue the demand on that date. Send this office a monthly agreement and payment export, and refer any anomaly in writing within five business days. Adopt the records-access clause in Section 7.2, extend it to subcontractors, subrecipients and bank records with a 10-business-day deadline, require repayment within 45 days, recover disallowed costs whether or not the funds were spent, and allow immediate termination for a false certification or a payment to a public official.	The 2026 recipient's appropriation lapsed June 30, 2026 with \$50,000 unpaid and no demand tracked.	§§ 3.3, 4.4, 5.1, 7.2, 10.1, 10.3

What we ask of Treasury.

1. Apply Recommendations 1 and 2 now to every Act 3 and Act 961 agreement not yet executed, and to the remaining payments on agreements already executed.
2. Confirm whether any payment has been made since June 18, 2026 to a recipient on the Legislative Auditor's noncompliance list, and whether Treasury's access to the federal Do Not Pay system can be used for state-funded payments.

3. Use the enclosed approved template for every Act 3 and Act 961 agreement Treasury executes from this point forward, and let this office's staff know of any questions about putting it into use.
4. If Treasury has not already provided it, send the CEA portal export of agreement and payment status for Acts 3 and 961, with monthly updates through June 30, 2027.

I am grateful to Commissioner Barras for his partnership on this work. He reviewed each revision with this office, and his approval means the same controls will apply to line-item agreements the Division of Administration and other agencies administer, not only to Treasury's. Recommendation 1 also assigns approval of any advance exception to him. The revised template builds on the Office of State Procurement's line-item CEA template (updated August 5, 2024), which predated the T.R.U.S.T. Act (Act 467 of 2025, La. R.S. 39:89.1 to 89.4). Its new Section 7.2 is the records-access language for this office; Section 10.3 extends that access to subcontractors, subrecipients and bank records.

This office makes these recommendations under La. R.S. 49:220.24 and Sections 5(A) and 5(H) of Executive Order JML 26-069. Section 5(H) directs this office to strengthen nonprofit and pass-through integrity through pre-award eligibility review, related-party and conflict-of-interest disclosures, deliverable verification, access-to-records clauses, milestone-based disbursement and recovery remedies, and the approved template writes each of those into the agreement. The Governor's order also aligns Louisiana with the national priority President Donald Trump has placed on eliminating fraud, waste and abuse, and it calls for "prevention-first tools to stop improper payments before funds are disbursed." These controls apply that approach to every nonprofit appropriation Treasury pays.

Treasurer Fleming, thank you and your staff for the work that made these recommendations possible. Your office's referral in the NAAAED matter stopped a second \$400,000 payment, and your staff's careful review of a single cost report led to the Divine Kingdom arrest. Those results came from Treasury employees who looked closely at the paperwork and acted on what they found, and they deserve credit for protecting Louisiana taxpayers. I am also grateful to First Assistant State Treasurer Rachel Kincaid for serving as Treasury's liaison to the Louisiana Taxpayer Protection Initiative. This office values the partnership with your office and looks forward to putting these controls in place with your staff this fiscal year, so that the same diligence is applied before each agreement is signed and before each payment is made.

Sincerely,



Angele Davis

State Inspector General and Chief Integrity Officer

Enclosures: (1) Figure 1, Nonprofit Line-Item Funding: Current Process and Recommended Controls; (2) Line-item cooperative endeavor agreement template, as revised and approved by the Commissioner of Administration
cc: The Honorable Jeff Landry, Governor of Louisiana; The Honorable Taylor F. Barras, Commissioner of Administration; Ms. Rachel Kincaid, First Assistant State Treasurer and Treasury liaison under Executive Order JML 26-069

Figure 1. Nonprofit line-item funding: current process and recommended controls, by stage

NONPROFIT LINE-ITEM FUNDING			
Current Process and Recommended Controls			
How state money reaches a nonprofit named in an appropriation, what fails today, and who owns each fix			
HOW IT WORKS TODAY	STAGE	RECOMMENDED CONTROL	OWNER
The Legislature names a nonprofit in an appropriation act; the recipient signs a cooperative endeavor agreement (CEA) with Treasury. No one checks the recipient's name against the enacted act. ■ 19 recipient names could not be matched to the enacted budget bill	1 Appropriation and recipient	Every recipient, including subrecipients paid through another entity, applies and signs its own agreement before any payment	Treasury; DOA; paying and pass-through agencies
The recipient uploads its budget, board resolution, contractor list and tax forms to Treasury's portal; a reviewer checks each item off. ■ Applications accepted with vendors listed as "to be determined" and one-person boards	2 Application	- Reject any agreement that lists a vendor as "to be determined" - Screen out one-officer and newly formed organizations - Cap administrative costs at 10%, paid over the life of the project	State Procurement Contracting agency Treasury; DOA; paying agencies
State law bars payment to a recipient behind on its audit filings, but agencies treat receipt of documents as compliance. ■ 3 of 272 recipients are on the Auditor's noncompliance list; a fourth is unconfirmed	3 Legislative Auditor compliance	- Check the Auditor's noncompliance list before every payment - Count audit filings as complete only when the Auditor accepts them	Treasury; paying agencies Treasury; paying agencies
The recipient self-reports any public official who benefits; possible conflicts go to the Board of Ethics. ■ 13 recipient officers on state payroll; 2 tied to elected officials	4 Conflict and ethics screen	- Match recipient officers and vendors against state payroll and officials - Require disclosure of payments to insiders, with a signed attestation - Screen principals for fraud-related convictions - Recover any money paid to officials or undisclosed insiders	Treasury with OSIG Treasury; DOA; paying agencies Treasury; DOA; paying agencies; OSIG Paying agencies; Treasury; OSIG
State Procurement gives final approval once the required documents are on file. ■ An agreement was approved with its contractor list blank	5 Final approval	Refuse approval when the contractor list is blank; share the approval checklist with Treasury and OSIG	State Procurement
Advances are not capped; a common plan pays 50% before any work is done. ■ Advances of \$400,000, \$50,000 and \$37,500 were paid before performance	6 Payment	- Pay by reimbursement; allow an advance only if the recipient passes screening and a documented liquidity test and the Commissioner of Administration approves in writing; cap any advance at 25% - Pay agreements not yet signed by reimbursement only until OSIG's screen is done - Check the recipient, officers and vendors against do-not-pay lists before every payment - Hold later payments until every vendor is named	Treasury; DOA; paying agencies Treasury Treasury; DOA; paying agencies Contract monitor
The recipient files a quarterly cost report with invoices, bank statements are not required. ■ One recipient moved \$205,123 out of its dedicated account within six months	7 Use of funds	Require a dedicated bank account, two signers, and bank statements with every cost report	Treasury; DOA
Recipients file quarterly progress reports; the agency may stop payment if there is no progress. ■ Reports missing or never approved; results measured only as money spent	8 Reporting and monitoring	- Reject results measures that only count dollars spent - Demand repayment when no report is filed - Hold the next payment when a report is 30 days late, and notify OSIG - Confirm independently that work was done before later payments	Contract monitor Contracting agency Treasury Paying agency
At the end of the term the agency demands return of unspent money, which reaches only funds not yet spent. ■ An appropriation lapsed with no one tracking it; prior-year outcomes unknown	9 Term and recovery	- Track each agreement's end date and demand unspent funds on that date - Record what happened to every prior-year appropriation	Treasury; paying agencies DOA; OSIG
Treasury refers suspicious cost reports one case at a time. ■ No regular data to OSIG; problems surface after the money is gone	10 Referral	- Send OSIG monthly agreement and payment data; refer any anomaly or suspected fraud to OSIG in writing within 5 business days - Referral agency for fraud: investigates and refers credible fraud to the Attorney General and district attorney	Treasury; DOA OSIG

■ Red: a problem found in the 2026 review of nonprofit line-item appropriations (Acts 3 and 961 of the 2026 Regular Session).

Owners: DOA = Division of Administration; State Procurement = DOA Office of State Procurement; OSIG = Office of State Inspector General;

paying or contracting agency = the agency that pays the award; contract monitor = that agency's assigned monitor. None of these controls requires new legislation.

Louisiana Office of State Inspector General · October 2026

Prepared from this office's October 2026 review of nongovernmental appropriations in Acts 3 and 961 of the 2026 Regular Session. Counts in red cover both acts.

State of Louisiana

Cooperative Endeavor Agreement (*line item appropriations – approved October 21, 2026*)

This Cooperative Endeavor, made and entered into this (*enter date*) day of (*enter month*) 20(*enter year*) by and between (*agency name*) of the State of Louisiana, hereinafter referred to as “State,” and/or “Agency” and (*enter legal name of recipient*) officially domiciled at (*enter address including city state and zip code*) hereinafter referred to as “Contracting Party”.

Article I

Witnesseth:

1.1 Whereas, Article VII, Section 14 of the Constitution of the State of Louisiana provides that “for a public purpose, the state and its political subdivisions...may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;” and

1.2 Whereas, [Act 1 of the 2024 Regular Session] of the Louisiana Legislature, which was adopted in accordance with Article VII, Section 10, of the Constitution of the State of Louisiana, is the appropriation for the expenditure of State funds, and said Act contains a line item appropriation [within the Agency’s budget] for the benefit of (*enter recipient’s name*) of which the sum of (*one thousand & no/100* (\$)) dollars has been allocated for this project, as set forth in Attachment A Plan, which is attached to this agreement and made a part hereof;

1.3 Whereas, the agency desires to cooperate with the Contracting Party in the implementation of the Project as hereinafter provided;

1.4 Whereas, the public purpose is described as: (*provide a detailed description of the public purpose sought to be achieved which must conform to the program described in the appropriations bill, and, if applicable, supplemental information form submitted to the legislature;*)

1.5 Whereas, the Contracting Party has provided all required information in accordance with [Act 1 of the Regular Session of 2024], if applicable, La. R.S. 39:89.1 through 39:89.4, and the governor’s Executive Order JML 2024-115 on accountability for line item appropriations; and is attached to this agreement and made a part hereof by reference as “Attachment E”.

1.6 Whereas, Executive Order JML 26-069 established the Louisiana Taxpayer Protection Initiative, which names grants to nonprofit and nongovernmental organizations as a priority program area, and the parties intend the pre-award, related-party, payment and verification terms of this agreement to carry out that order;

Now therefore, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Article II Scope of Services

2.1 The Contracting Party shall: *(Narrative should identify what the contracting agency will do, i.e. the program goals and objectives as well as the expected outcomes and results as more specifically detailed in the Attachment "A" Plan)*

2.2 Deliverables: *(Narrative should identify the actual services that are to be provided, the relevant activities and anticipated outcomes and performance measures as specifically detailed on the Attachment "A" Plan)* Performance measures shall state outputs or outcomes tied to the public purpose stated in Section 1.4. A measure that counts only an amount of money spent shall not be accepted, and the State shall not execute this agreement if its only measures are of that kind.

Contracting Party will provide to State written quarterly **Progress Reports (Attachment C)** outlining the Contracting Party's resources, initiatives, activities, services and performance consistent with the provisions, goals and objectives of this agreement and *(monthly or at least quarterly)* **Cost Reports (Attachment D)** which provide detailed cost information outlining the use of appropriated funds. **Attachment C Progress Report** and **Attachment D Cost Report** are attached to this agreement and made a part thereof by reference. Each Cost Report shall attach adequate supporting documentation, including copies of invoices, checks and other records of expenses incurred, and the statements for the account required by Section 2.12 for the reporting period.

2.3 Budget: The **Budget** for this project is incorporated herein as "**Attachment B**" which is attached hereto and made a part hereof by reference and shows all anticipated revenues and expenditures provided by this cooperative endeavor. The **Budget** for this project shall not exceed the total sum of *(include narrative and numerical dollar references)* which sum shall be inclusive of all costs or expenses to be paid by State in connection with the services to be provided under this agreement. This is the total sum that has been appropriated for this project by State. No state funds shall be paid for any one phase of this agreement that exceeds the categories shown on the **Budget** attached as "Attachment B", without the prior approval of State. Attachment B Page 3 shall name every subcontractor and subrecipient, with its address. The State shall not execute this agreement if any subcontractor or subrecipient is listed as "To be determined," "TBD" or left blank, or if any Attachment E-1 required by Section 2.5 is missing or incomplete.

2.4 For public or quasi-public entities which are recipients under [Act 1 of the Regular Session of 2024], and which are not budget units of the State, no funds shall be transferred unless said Contracting Party submits to the Legislative Auditor for approval a copy of this Agreement and Budget showing all anticipated uses of the appropriation, an estimate of the duration of the project and a plan showing specific goals and objectives for the use of such funds, including measures of performance. The Contracting Party shall provide written reports every six months to the funding agency concerning the use of the funds and the specific goals and objectives for the use thereof.

2.5 Disclosure and certification. Attachment E, Disclosure and Certification Statement, shall be fully completed, dated and executed by a duly authorized representative of the Contracting Party, with the following attached: a) the board resolution or other written authorization for execution of this agreement; b) a certificate of good standing from the Secretary of State; c) a roster of all officers and

directors that matches the Secretary of State record and the Contracting Party's most recent IRS Form 990, where one is filed; d) a completed Federal Form W-9 whose tax classification matches the Contracting Party's legal form; and e) the itemized report of administrative expenses and the most recent financial report required by La. R.S. 39:89.3(A)(1), with evidence that the Legislative Auditor has formally accepted the financial report. Each subcontractor and subrecipient listed on Attachment B Page 3 shall complete and execute Attachment E-1 with the same attachments a) and b).

2.6 Entity screen. Before executing this agreement, the State shall determine whether (i) one individual serves as the only officer or director, or in every governance role, or (ii) the Contracting Party was registered with the Secretary of State within twelve months before the appropriation took effect. If either condition exists, all payments shall be made on a reimbursement basis under Section 4.1 and every Cost Report shall be signed by a second authorized signatory.

2.7 Subrecipients. Each subrecipient that receives any part of the appropriation shall submit an application and execute its own cooperative endeavor agreement, on a form approved by the State and containing the terms of Sections 2.3 and 2.5 through 2.12 and Article IV, before it receives any funds. The Contracting Party shall not release funds to a subrecipient that has not done both.

2.8 Public officials and employees. As required by La. R.S. 39:89.3(B)(1)(a), no public official, public employee, or immediate family member thereof shall receive anything of economic value or any form of compensation, whether direct or indirect, from the Contracting Party or under a contract with the Contracting Party, except as La. R.S. 39:89.3(B)(1)(b) and (B)(2) provide.

2.9 Related-party payments. At execution, the Contracting Party shall disclose on Attachment E every planned payment of appropriated funds to an officer, director or key employee, to an immediate family member of any of them, or to an entity any of them owns or controls, with a board resolution approving the payment adopted without the vote of the interested person and support that the price is at or below market. With every Cost Report, the authorized person and one board member who is not an interested person shall certify that no appropriated funds were paid to an undisclosed related party and that no public official, public employee or immediate family member received anything of value. A payment to an undisclosed related party, or to a disclosed related party above market price, is disallowed and shall be repaid under Section 4.4.

2.10 Eligibility. The Contracting Party certifies on Attachment E whether any officer, director, key employee or principal of a subcontractor or subrecipient has, within the past ten years, been convicted of, or pleaded guilty or nolo contendere to, theft, fraud, embezzlement, forgery, bribery, falsification of records or another offense involving dishonesty. The State may verify the certification against court and law-enforcement records. A conviction of that kind, a false certification, debarment under La. R.S. 39:1672, federal exclusion, ineligibility under La. R.S. 39:89.3(A)(3), or an unpaid repayment demand on a prior appropriation places this agreement on hold, and no payment shall be made until the State resolves it.

2.11 Administrative costs. Administrative and indirect costs paid from the appropriation shall not exceed ten percent (10%) of modified total direct costs. Modified total direct costs exclude equipment, capital expenditures, rent, participant support costs and the portion of each subcontract or subaward that exceeds \$50,000. Administrative costs shall be paid only as direct costs are incurred and reimbursed, in proportion to them, and never as part of an advance. Every administrative charge shall appear on the administrative

expense report required by La. R.S. 39:89.3(A)(1)(a) and be supported by actual cost. A flat fee to the Contracting Party or a related party without that support is disallowed.

2.12 Dedicated account. The Contracting Party shall deposit all funds received under this agreement in a separate account used only for those funds. Every disbursement from that account shall require two authorized signatures or prior written approval of the board. The Contracting Party shall submit the statements for that account with every Cost Report.

Article III Contract Monitor

3.1 The Contract Monitor for this contract is (Name of State Assigned Contract Monitor and Title)

3.2 Monitoring Plan: During the term of this agreement, Contracting Party shall discuss with State's Contract Monitor the progress and results of the project, ongoing plans for the continuation of the project, any deficiencies noted, and other matters relating to the project. Contract Monitor shall review and analyze Contracting Party's **Plan** to ensure Contracting Party's compliance with contract requirements.

The Contract Monitor shall also review and analyze the Contracting Party's written **Progress Reports** and **Cost Reports** and any work product for compliance with the Scope of Services; and shall

1. Compare the Reports to Goals/Results and Performance Measures outlined in this contract to determine the progress made;
2. Contact Contracting Party to secure any missing deliverables;
3. Maintain telephone and/or e-mail contact with Contracting Party on contract activity and make visits to the Contracting Party's site in order to review the progress and completion of the Contracting Party's services, to assure that performance goals are being achieved, and to verify information when needed; and
4. Assure that expenditures or reimbursements requested in **Cost Reports** are in compliance with the approved **Budget**. Contract Monitor shall coordinate with agency's fiscal office for reimbursements to Contracting Party and shall contact Contracting Party for further details, information or documentation when necessary.
5. Before approving any second or later payment, confirm independently that the work reported was performed, by a site visit, a review of beneficiary or attendance records, or a sample test of deliverables, and record the result in the agreement file; and
6. Before execution and before every payment, confirm that the Contracting Party is not on the Legislative Auditor's list of entities that have not complied with R.S. 24:513, and check the Contracting Party, its officers, and its named subcontractors and subrecipients against the federal Do Not Pay system where the State's access permits, the SAM.gov exclusion records, the HHS-OIG List of Excluded Individuals and Entities, the Office of State Procurement list of suspended and debarred parties, and any state do-not-pay list maintained by the Department of the Treasury and the Division of Administration. A match places this agreement on hold.

Between required performance reporting dates, Contracting Party shall inform Contract Monitor of any problems, delays or adverse conditions which will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project results by established time schedules and goals. Contracting Party's disclosure shall be accompanied by a statement describing the action taken or contemplated by the Contracting Party and any assistance which may be needed to resolve the situation.

3.3 Referral. The Contract Monitor shall refer to the Office of State Inspector General, in writing within five (5) business days, any cost-report anomaly, unsupported charge, undisclosed related-party payment or other information suggesting fraud, waste or abuse of funds under this agreement. The agency shall also provide the Office of State Inspector General a monthly report of the status, payments and reports due and received under this agreement.

Article IV Payment Terms

4.1 Provided Contracting Party's progress and/or completion of the Contracting Party's services are to the reasonable satisfaction of State, payments to the Contracting Party shall be made by State on a reimbursement basis, after receipt from the Contracting Party and approval by State of *(monthly or quarterly)* **Cost Reports** requesting reimbursement, and certifying that such expenses have been incurred. Adequate supporting documentation (including copies of invoices, checks and other appropriate records reflecting expenses incurred) shall be attached to the reports. All original documentation supporting the reports shall be maintained by Contracting Party, and shall be subject to audit, as hereinafter stated. *(If quarterly disbursement method is utilized in accordance with the guidelines for Line Item Appropriations, agencies must adjust language in this section accordingly).*

4.2 Travel expenses, if any, shall be reimbursed only in the event that this agreement provides for such reimbursement, such travel expenses are included in the Contracting Party's approved compensation, budget or allocated amount, and then only in accordance with Division of Administration Policy and Procedure Memorandum No. 49. Invoices and/or receipts for any pre-approved reimbursable expenses or travel expenses must be provided or attached to periodic invoices for reimbursement.

4.2.1 Advance. One initial payment of no more than twenty-five percent (25%) of the total line item appropriation may be made in advance of services being performed only if (1) the Contracting Party has met every requirement of Sections 2.2 through 2.12 and Section 3.2; (2) the Contracting Party has passed a documented liquidity test, submitted on Attachment B-Supplement with its recent bank statements and most recent financial report, showing that it cannot begin the work without an advance; (3) the Commissioner of Administration has approved the advance in writing; and (4) this agreement has been approved by the Office of State Procurement. All later payments shall be made on a reimbursement basis under Section 4.1, and only after the advance has been fully supported by approved Cost Reports.

4.2.2 No payment shall be made toward any subcontract or subaward until the subcontractor or subrecipient is named in Attachment B

Page 3 and its Attachment E-1 has been approved. If a Progress Report or Cost Report is more than thirty (30) days past due, the State shall withhold the next payment until the report is received and approved, and shall notify the Office of State Inspector General.

4.3 Reimbursements under this agreement will be allowed only for expenditures occurring between and including the dates of *(authorized beginning date)* and *(authorized ending date)*, and this project and all of the Contracting Party's services shall be completed by that date. Payment is contingent upon the availability of funds and upon the approval of this agreement by the Office of State Procurement. Payments under this agreement will not be released or provided to the Contracting Party if, when, and for as long as the Contracting Party fails or refuses to comply with R.S. 24:513 or has not met the requirements of La. R.S. 39:89.3(A)(1), except during an extension granted under R.S. 39:72.1. The State shall confirm compliance before each payment, not only at execution, and a financial report shall be treated as compliant only after the Legislative Auditor has formally accepted it.

4.4 The Contract Monitor shall monitor disbursements on a *(monthly or at least quarterly)* basis. Under circumstances such that the recipient entity has not demonstrated substantial progress towards goals and objectives, based on established measures of performance, further disbursements shall be discontinued until substantial progress is demonstrated or the entity has justified to the satisfaction of the agency reasons for the lack of progress. If the agency determines that the recipient failed to use the Line Item Appropriation within the estimated duration of the project or failed to reasonably achieve its specific goals and objectives, without sufficient justification, the agency shall demand that any unexpended funds be returned to the state treasury within 45 days of the demand unless approval to retain the funds is obtained from the Division of Administration and the Joint Legislative Committee on the Budget. If the Contracting Party has received an advance and has not filed a Progress Report and Cost Report within thirty (30) days after the due date, the agency shall demand return of all advanced funds not supported by an approved Cost Report. For public or quasi-public entities which are recipients under [Act 1 of the Regular Session of 2024], the transferring Agency shall forward to the legislative auditor, the Division of Administration, and the Joint Legislative Committee on the Budget a report showing specific data regarding compliance with this Section and collection of any unexpended funds. This report shall be submitted no later than [May 1, 2024].

Disallowed costs, including any payment prohibited by La. R.S. 39:89.3(B)(1)(a), any payment to an undisclosed related party or above market price under Section 2.9, and any administrative charge that exceeds Section 2.11, shall be repaid in full within 45 days of the demand whether or not the funds have been spent, and the State shall make no further payment until they are repaid. The agency shall refer any payment to a public official, public employee or immediate family member to the Board of Ethics and the Office of State Inspector General.

The State shall record the last date on which the appropriation funding this agreement may be paid and shall issue the demand for unexpended funds on that date.

(If the Cooperative Endeavor is with a non-governmental entity for economic development purposes, it must contain the following:

"If the Contracting Party defaults on the agreement, breaches the terms of the agreement, ceases to do business, or ceases to do business in Louisiana it shall be required to repay the state."

(The Cooperative Endeavor must set out the terms of the repayment.)

4.5 Taxes: Contracting Party hereby agrees that the responsibility for payment of taxes from the funds thus received under this agreement and/or legislative appropriation shall be Contracting Party's obligation and identified under Federal tax identification number.

Article V Termination for Cause

5.1 The State may terminate this agreement for cause based upon the failure of Contracting Party to comply with the terms and/or conditions of the agreement; provided that the State shall give Contracting Party written notice specifying Contracting Party's failure. If within thirty (30) days after receipt of such notice, Contracting Party shall not have either corrected such failure or, in the case which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place Contracting Party in default and the agreement shall terminate on the date specified in such notice. Contracting Party may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this agreement; provided that the Contracting Party shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect. A false certification under Section 2.9 or 2.10, or a payment prohibited by La. R.S. 39:89.3(B)(1)(a), is cause for immediate termination without an opportunity to cure.

Article VI Termination for Convenience

6.1 The State may terminate the agreement at any time by giving thirty (30) days written notice to Contracting Party. Upon receipt of notice, Contracting Party shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders, for materials, facilities, services and supplies in connection with the performance of this Agreement. Contracting Party shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

Article VII Ownership

7.1 All records, reports, documents and other material delivered or transmitted to Contracting Party by the State shall remain the property of the State, and shall be returned by Contracting Party to the State, at Contracting Party's expense, at termination or expiration of this agreement. All records, reports, documents, or other material related to this agreement and/or obtained or prepared by Contracting Party in connection with performance of the services contracted for herein shall become the property of the State, and shall, upon request, be returned by Contracting Party to the State at Contracting Party's expense at termination or expiration of this agreement.

7.2 All records, documents, data or other material related to this agreement and/or obtained or prepared by the Contracting Party in

connection with the performance of the services contracted for herein shall, upon request, be made available to the Louisiana State Inspector General or her designee, at the Contracting Party's expense.

Article VIII Assignment

8.1 Contracting Party shall not assign any interest in this agreement and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the State, provided however, that claims for money due or to become due to Contracting Party from the State may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

Article IX Financial Disclosure

9.1 Each recipient shall be audited in accordance with R.S. 24:513. If the amount of public funds received by the provider is below the amount for which an audit is required under R.S. 24:513, the transferring agency shall monitor and evaluate the use of the funds to ensure effective achievement of the goals and objectives.

Article X Auditor's Clause

10.1 It is hereby agreed that the Legislative Auditor of the State of Louisiana, and/or the Office of the Governor, Division of Administration auditors, the Office of State Inspector General, shall have the option of auditing all records and accounts of Contracting Party and of its subcontractors and subrecipients which relate to this agreement.

10.2 Contractor and any subcontractors paid under this agreement shall maintain all books and records pertaining to this agreement for a period of three years after the date of final payment under the prime contract and any subcontract entered into under this agreement.

10.3 The Contracting Party, and each subcontractor and subrecipient paid under this agreement, shall produce its bank, vendor and subrecipient records relating to this agreement within ten (10) business days of a written request from the State or the Office of State Inspector General. Failure to produce them is a breach of this agreement, and no payment shall be made until the records are produced.

Article XI Amendments in Writing

11.1 Any alteration, variation, modification, or waiver of provisions of this agreement shall be valid only when it has been reduced to

writing, executed by all parties and approved by the Office of State Procurement, Division of Administration.

Article XII Fiscal Funding Clause

12.1 The continuation of this agreement is contingent upon the appropriation of funds to fulfill the requirements of the agreement by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the agreement, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the agreement, the agreement shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

Article XIII Term of Contract

13.1 This agreement shall begin on _____ and shall terminate on _____.

Article XIV Discrimination Clause

14.1 The Contracting Party agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and Contracting Party agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Contracting Party agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, age, national origin, disability, political affiliation, veteran status, or any other non-merit factor. Any act of discrimination committed by Contracting Party, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this agreement.

Article XV Governing Law

15.1 This contract shall be interpreted under Louisiana law, including but not limited to executive orders, terms and conditions; and specifications, if applicable. Venue of any action brought, after exhaustion of administrative remedies, with regard to all activities associated with this Contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

Article XVI Attachments and Exhibits

16.1 A listing of Attachments and Exhibits to this CEA are found in Attachment F, *List of Attachments and Exhibits*. Attachment F is attached and made a part of this agreement by reference.

Thus Done and Signed at _____, Louisiana on the ____ *day, of Month, Year*

Witnesses:

Agency Name

Agency Head Name, Title

Thus Done and Signed at _____, _____ on the ____ day, of month, year

Witnesses:

Contracting Party

Authorized Person, Title

Monitoring Plan

Contracting Party:

Name and Brief Narrative of Program:

Program Goals, Objectives, Expected Outcomes/Results Activities and Related Performance Measures (Duplicate pages as needed for each goal identified). What are the goals, objective(s), expected outcomes/results for this program: Indicate the goals/objectives for this program. Indicate the expected outcomes/results for each goal. Explain how each goal, objective, outcome/result is measured. Identify activities that will be implemented to achieve expected outcomes, the person(s) responsible for implementing the activity, and the expected completion date.

1. Program Goal (*Goals are the intended broad, long-term results. Goals are clear statements of the general end purposes toward which efforts are directed.*)
2. Program Objective(s) (*Objectives are intermediate outcomes--specific, measurable steps towards accomplishing the goal. They identify the expected outcomes and results.*)
3. Relevant Activity (Activities) (*An activity is a distinct subset of functions or services within a program.*)
4. Performance Measure(s) (*Measure the amount of products or services provided or number of customers served. Specific quantifiable measures of progress, results actually achieved and assess program impact and effectiveness.*) A measure that counts only dollars spent will not be accepted; state what the spending produces, such as people served or units delivered.

Project Budget (2026-27)

Contracting
Party: _____

Anticipated Income or Revenue:
\$ _____

<u>Sources</u> <i>(list all sources of revenue)</i>	<u>Amounts</u>
_____	_____
\$ _____	
_____	_____
\$ _____	
_____	_____
\$ _____	

Anticipated Expenses

<u>Expense Categories</u> of Line Item <u>Appropriation</u>	<u>Total Amount</u>	<u>Amount</u> _____
Salaries	\$	\$
Related Benefits	\$	\$
Travel	\$	\$
Operating Services	\$	\$
Advertising	\$	\$
Printing	\$	\$
Maintenance of Equipment	\$	\$
Maintenance of Office	\$	\$
Rentals	\$	\$
Dues and Subscriptions	\$	\$
Telephones	\$	\$
Postage	\$	\$
Utilities	\$	\$
Other	\$	\$
Office Supplies	\$	\$
Professional & Contract Services	\$	\$

Other Charges	\$	\$
Acquisitions & Major Repairs	\$	\$
Total Use of the Appropriation	\$	\$

(Budget categories listed above reflect a typical budget and may be adjusted by the agency and recipient to reflect actual categories necessary for each individual program. Salaries and Professional & Other Contract Services shall be detailed using pages 2 and 3 of Attachment B). Administrative fees and indirect costs are subject to the cap and actual-cost support required by Section 2.11; a flat fee will not be accepted.

Staffing Chart

Contracting Party:

Name of Program: _____

Name	Title	Total Salary Amount	Total Appropriation	Salary Paid by	Related Benefits	Full time or Part Time # of months
			Percentage %	Amount \$		

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Schedule of Professional and Other Contract Services

Name every individual or firm with its address. "To be determined" will not be accepted, and an Attachment E-1 must be attached for each entry.

Contracting Party: _____

Name of Program: _____

Name and Address of Individual and/or Firm	Nature of Work Performed and Justification for Services	Total Contract Amount	Total Paid by Appropriation

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Attachment C

Progress Report

(To be submitted at least quarterly showing progress achieved. Duplicate pages as needed.)

Contracting Party: _____

Contact Name: _____

Telephone:()_____ Fax:()_____

Goal:	% Complete
Objective(s):	
Activity (Activities) Performed:	
Performance Measure(s):	

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Cost Report for the Period of _____

Expense Category	Approved Total Amount	(Quarterly) Expenditures (Monthly)*	Total Cumulative Year to Date Expenditures	Balance Remaining
Salaries				
Related Benefits				
Travel				
Operating Services				
Advertising				
Printing				
Maintenance of Equipment				
Maintenance of Office				
Rentals				
Dues/Subscriptions				
Telephones				
Postage				
Utilities				
Other				
Office Supplies				
Professional Services				
Other Charges				
Acquisitions & Major Repairs				

(Expense categories must reflect budget categories listed in Attachment B budget.) Attach the statements for the dedicated account required by Section 2.12 and, for each subcontractor, the invoice and proof of payment.

** Should reflect contract payment terms, either quarterly or monthly.*

Disclosure and Certification Statement

Contracting Party: _____

Contractor's Mailing Address: _____

Organization Type: (For example, local government, non-profit, corporation, LLP, etc.)

Private entities required to register with the Secretary of State's office must be in good standing with that office.

Names and Addresses of all officers and directors, including Executive Director, Chief Executive Officer or any person responsible for the daily operations of the entity: (must match the Secretary of State record and the most recent IRS Form 990; attach both)

Names and Addresses of all key personnel responsible for the program or functions funded through this agreement:

List any person receiving anything of economic value from this agreement if that person is a public official or public employee or member of the immediate family of a person who is a public official or public employee. Include the amount of anything of economic value received, the position held within the organization. Identify the official and the public position held. (Payments of this kind are prohibited by La. R.S. 39:89.3(B)(1)(a) except as that statute provides.)

Related-party payments: List every planned payment of appropriated funds to an officer, director, key employee, an immediate family member of any of them, or an entity any of them owns or controls, with the amount, the market-price support, and the date of the board resolution approving it (Section 2.9).

☐ I certify that no officer, director, key employee or principal of a listed subcontractor or subrecipient has, within the past ten years, been convicted of, or pleaded guilty or nolo contendere to, an offense described in Section 2.10. ☐ I disclose the following (attach

detail).

☐ **I hereby certify that this organization has no outstanding audit issues or findings**, is not on the Legislative Auditor's list of entities that have not complied with R.S. 24:513, and has submitted the reports required by La. R.S. 39:89.3(A)(1).

☐ **I hereby certify that this organization has outstanding audit issues or findings and is currently working with the state to resolve such issues or findings.**

I hereby certify that the above information is true and correct, to the best of my knowledge, and I am the duly authorized representative of the organization.

(Name and Title of Contractor)

(Authorized Signature of Contractor)

Attachment E-1

Subcontractor and Subrecipient Disclosure and Certification Statement. To be completed for each subcontractor and subrecipient listed on Attachment B Page 3, with the same information, certifications and attachments required on Attachment E. A subcontractor or subrecipient may not be listed as "To be determined" or "TBD."

Attachment B-Supplement

Liquidity Test for an Advance (Section 4.2.1). Attach recent bank statements and the most recent financial report, with a narrative showing that the Contracting Party cannot begin the work without an advance. A statement that funds are not available in the budget is not sufficient. An advance requires the written approval of the Commissioner of Administration and may not exceed 25% of the appropriation.

Attachment and Exhibit List

List of Attachments

List of Exhibits