

STATE CONTROLLER POLICY

EFFECTIVE AND MADE DATES

1) **General Rule.** State Contracts shall contain an Effective Date and may contain a Made Date (use of optional Made Date is often confusing and is discouraged unless it serves an identified purpose).

2) **Definitions.**

a. Effective Date. The date that the State Controller or delegate signs the contract or a date specified in a contract, whichever is later. Pursuant to CRS §24-30-202(1), this is the date that the contract becomes valid and performance under the contract may begin. A statutory violation occurs if performance begins before that date, and under CRS §24-30-202(3)

“...every person incurring or ordering...the incurrence of such obligation...shall be jointly and severally liable therefore.”

The only exception is for federal subrecipient grant contracts where the Effective Date may be prior to the date signed by the State Controller or delegate if all other requirements in the policy on Federal Subrecipient Grant Contracts are met. In the latter instance, CRS §24-30-202 is not violated if work begins before signature of the State Controller or delegate; however, this exception only eliminates the statutory violation, and the contract is still not valid until the State Controller or delegate signs, which means that the vendor is at risk of not being paid if such signature is not obtained. See Office of the State Controller policies entitled, “*Statutory Violations*” and “*Grant Contracts – Federal Subrecipient*”.

b. Made Date. The date the Parties agreed to the contract’s provisions. In State contracts, the made date is used to identify and reference the contract in other documents such as contract amendments, but it is not the date on which the contract is effective or when performance may begin.

David J. McDermott, CPA
State Controller