



Origination 07/2022
Last Approved 07/2022
Effective 07/2022
Last Revised 07/2022
Next Review 07/2024

Owner Jon Medwin
Area Admin and Finance - Procurement

Unauthorized Purchases/Confirming Orders

PURPOSE:

An Unauthorized Purchase Request form has been developed as a way to address "rogue spend", including committing University funds without an approved contractual Delegation of Authority (DOA), and/or the elimination of the University community providing requisition numbers before Purchase Orders are issued as a purchase mechanism. A requisition is not a binding contractual document and cannot be used as such.

POLICY STATEMENT:

Confirming orders or "after-the-fact" orders (i.e., merchandise received or service performed prior to obtaining an authorized Purchase Order) are explicitly prohibited. Additionally, personal payments for University equipment, supplies, and/or services with the expectation of reimbursement are also strictly prohibited. No person is authorized to commit University funds to a vendor for equipment, supplies or services without the prior approval of the Procurement Office. Unless the purchase is allowed under the Procurement Card or Direct Pay policies, faculty or staff who purchase equipment, supplies or services before obtaining approval from the Procurement Office assume the risk of personal liability for payment of the goods. Any unauthorized transactions (which include over-expenditures of "Blanket Purchase Orders" will be returned to the departments unprocessed, and the department will need to find other mechanisms to pay for these expenses.

POLICY SCOPE:

The scope of this policy is applicable to all University departments and funding sources, including auxiliaries and self-funded enterprise units. If a violation does occur, an Unauthorized Purchase Request form will be routed electronically requiring a detailed explanation of what occurred, why it occurred, and remedies that will be put in place to ensure that future unauthorized purchases do not occur either by the

individual who committed the infraction, while also ensuring that the department itself will develop safeguards so as to eliminate any potential unauthorized purchases in the future.

EXCLUSIONS:

Unless the purchase is allowed under the Procurement Card or Direct Pay policies, or special approval is granted by the Director of Procurement & Support Services, full compliance is expected by all individuals and departments. If an unauthorized purchase is made, an Unauthorized Purchase Request form will be routed to the offending party requiring a full explanation, as well as remedies to cure the infraction. The document will be routed to the person committing the infraction, their supervisor, the Director of Procurement & Support Services, the AVP for Financial Services, the appropriate Vice President from the offending area, and the Vice President for Administration & Finance/CFO.

DEFINITIONS:

Confirming Orders are defined as Unauthorized Purchases, either because they are "after the fact", meaning that a valid Purchase Order was not issued before the purchase was made, or, an item or service was purchased with personal funds with the expectation that a University reimbursement would be made to the employee, or a requisition was used incorrectly as a purchase order with a vendor/contractor, or any other intentional or unintentional unauthorized purchase methods.

PROCEDURES:

If an Unauthorized Purchase Request is required, it will be initiated and routed by Adobe Sign from the Director of Procurement & Support Services.

ENFORCEMENT:

Unauthorized Purchase violations of any kind will have the visibility of both the Vice President from the respective division as well as the Vice President of Administration & Finance/CFO. The employee committing the infraction has to formally seek the approval of his/her supervisor, the Vice President from the respective division, the Director of Procurement & Support Services, the AVP for Financial Services, and the Vice President of Administration & Finance/CFO. Since it is assumed that the offending individual has to explain to several levels of management what happened and why, it is presumed that there will not be future infractions.

RELATED INFORMATION:

POLICY REVIEW:

This policy shall be reviewed by the Procurement Office every three (3) years, and contingent on changing regulatory requirements or audit findings.

AUTHORITY: CSU Systemwide Contracting & Procurement Policy

Manual

This Policy was previously known as ICSUAM 5000.

Attachments

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Approval Signatures

Step Description	Approver	Date
	Maureen Pasag	07/2022
	Jon Medwin	07/2022

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