

Unauthorized Purchases

Policy

1. Policy Statement

A purchase that is contrary to the rules and regulations established by State Purchasing Division or Board of Regents shall be void and of no effect. Any official of a state entity or institution who willfully purchases or causes to be purchased any materials, supplies or equipment contrary to the rules and regulations will be personally liable for the cost thereof. If paid for from state funds, the amount may be recovered in the name of the state. (O.C.G.A. Section 50-5-79).

Additionally, it is unlawful for ASU to make purchases for the personal use of its employees (Acts of 1939 40-1936 and HB1113). While it is difficult to specifically define all such goods and services, the following list includes examples of items which have previously been denied (by State Purchasing Division, other State agencies, and ASU) for purchase using state funds, on the grounds that the apparent end-use is personal in nature:

- Holiday decorations and cards
- Cut flowers / plants
- Entertainment, alcoholic beverages and/or refreshments
- Table radios
- Watches, groundbreaking shovels and other items to be granted as a donation or gratuity in favor of a person, corporation or association
- Dues to a Chamber of Commerce
- Employment agency placement fees
- Clothing, such as tuxedos or regalia, used for commencement services or other personal use. Uniforms complying with applicable Human Resource policy are allowable purchases.
- Personal moving expenses unless authorized under a relocation agreement and set out in the original written offer of employment
- Retirement gifts or gifts of any nature, gift cards except for research participant support or app purchasing.

In general, University departments are not authorized to make fiscal commitments against University funds except under purchase order procedures, payment request procedures, or as outlined in the p-card manual. If such a commitment is inadvertently made, the Procurement Office cannot process a purchase order and there is no assurance such a purchase can be paid. The person who made the purchase, or the person who directed that it be made in an unauthorized manner, may be personally liable to settle the matter with the supplier. If an unauthorized charge purchase is submitted for payment or reimbursement, it will be reviewed by an appropriate level of University Management and a case-basis determination will be made as to its disposition. A letter will be required explaining the circumstances of the transaction and why University purchasing procedures were not followed.

2. **Reason for policy**

To provide guidance as to what is considered an unauthorized purchase and information about the liability of improper (unauthorized) purchases.

3. **Procedures**

When an unauthorized purchase is identified, the department and employee making the purchase will be notified and appropriate actions may be taken to discipline the purchaser and recoup any funds expended in an improper manner. The purchaser will be required to submit an explanation of why proper purchasing policy and procedure were not followed along with an assurance that steps will be taken to avoid future violations of this nature. The explanation should include a description of the unauthorized purchase, why the unauthorized purchase occurred, evaluation of pricing, confirmation that the department has the available resources to pay for the unauthorized purchase and a description of preventive steps.

If a purchase request/requisition has been submitted in ePro, and the buyer ascertains that the purchase has already occurred or that work has commenced, the requisition may be subject to rejection and the purchaser required to follow unauthorized purchase procedures.

At a minimum, the form will require a supervisor's signature for purchases under \$25,000 and purchases over \$25,000 will require the signature of a unit's Vice President. In addition, the following actions will be taken for users who have repeated violations of the policy

Occurrence	Action Required
First Occurrence	User is required to complete unauthorized purchase form - signature of supervisor is required; VP signature may be required.
Second Occurrence	User is required to complete unauthorized purchase form; Signature of supervisor and unit VP is required.
Third Occurrence	User is required to complete unauthorized purchase form and attend mandatory procurement training; Signature of supervisor and unit VP is required. User access to ePro is suspended for 30 days. Employee may be held personally liable for the purchase.
Fourth Occurrence	User is required to complete unauthorized purchase form. Signature of supervisor and VP is required. User access to ePro is suspended. Employee may be held personally liable for the purchase.

The Director of Purchasing, in consultation with ASU Senior Administration, will determine actions for occurrences above and beyond the above outlined scenarios. In addition, flagrant violations of the policy may result in more severe penalties than what is listed above.

4. **Policy definitions**

BOR – Board of Regents

SPD – State Purchasing Division

5. **Responsibilities**

It is the responsibility of either 1) the individual who made the unauthorized purchase or 2) the person who directed the unauthorized to be made to write the letter of explanation set forth in the Procedure section above.