

PROCUREMENT SERVICES POLICY 4 UNAUTHORIZED PURCHASES

The University of North Carolina at Greensboro

Approved by Paul Forte, Interim AVC for Finance, August 4, 2021

Revised August 4, 2021

1. Purpose

This policy describes unauthorized commitments/purchases and ratification of these.

2. Scope

This policy applies to all University employees, departments, units and divisions.

3. Definitions and Roles and Responsibilities

3.1 Definition

Unauthorized Commitment: An unauthorized commitment or purchase is an informal agreement between a supplier or contractor and an employee of the University who lacked the authority to enter into that agreement on behalf of the University.

4. Policy

A commitment or purchase between a supplier or contractor and an employee of the University who lacked the authority to enter into that agreement on behalf of the University is not binding.

A situation resulting in an unauthorized commitment or purchase includes but is not limited to the following.

- A UNCG employee arranges or permits to receive goods or services when no official contract has been either approved or issued by the University.
- A UNCG employee arranges or permits to receive goods or services that are not included in the existing contract that has been either approved or issued by the University.
- A UNCG employee continues to receive goods or services after the official contract has expired.
- A UNCG employee directs or permits supplier or contractor personnel to deliver goods or services under terms and conditions contrary to those agreed upon in the official contract approved and issued by the University.

- A UNCG employee who is authorized to commit the University to an agreement, but the total dollar amount of the agreement exceeds his or her designated authority.

The Procurement Services holds the express authority, as created by the explicit language herein, to fulfill these responsibilities; any representation to the contrary or commitment of the University by any individual not having been duly delegated the authority to do so by the Procurement Department may incur such a commitment as a personal obligation and be personally responsible for any related debt.

Ratifications of Unauthorized Commitments - Purchases

“Unauthorized commitments” occur where the authority to obligate the University does not exist nor reside in an individual or a campus department. “Unauthorized commitments” include the act of acquiring (ordering and accepting) commodities and services prior to properly submitting the requirement to the Procurement Services. Unauthorized commitments are exacerbated by a vendor’s invoicing for payment of such commodities or services prior to such a submittal. Note: “Unauthorized commitments” may take place where there is not a pre-existing Purchase Order as well as when there is a pre-existing Purchase Order which is amended, or changed, without the Procurement Services approval to do so as evidenced by the Procurement Services issuance of a Change Order.

“Ratification” is the process by which the University ‘recognizes’ the unauthorized commitment as an institutional liability, formally consummates the act under a recognized University purchasing instrument, authorizes and makes payment. “Ratification”, however, is not automatic and requires statements of justification by the affected individual or campus department, reviews, consideration, and approval, if warranted.

5. Compliance and Enforcement

The Director of Procurement Services is responsible for ensuring compliance with this policy.

Instances of a flagrant “unauthorized commitment” may be briefed by the Director of Procurement Services to the Associate Vice Chancellor, and the Vice Chancellor for Finance & Administration, as deemed appropriate. Where the circumstances may warrant, the election of whether to “ratify” the unauthorized act may be based on the decision of the Associate Vice Chancellor or Vice Chancellor. Repetitive instances of “unauthorized commitments” may result in further administrative actions.

6. Additional Information

6.1 Supporting Documents

[University Policy Manual](#)

6.2 Approval Authority

This policy will be approved by the Interim Associate Vice Chancellor for Finance.

6.3 Contacts for Additional Information and Reporting

- Responsible Executive: Michael Logan, Director of Procurement Services, (336)334-4104, [**mflogan@uncg.edu**](mailto:mflogan@uncg.edu)
- Responsible Administrator: Richard Fleming, Assistant Director of Procurement Services, (336)334-3078, [**rrflein@uncg.edu**](mailto:rrflein@uncg.edu)