Dear Pieter,

The above referenced requisition is for an after-the-fact purchase of goods or services. This is a violation of the University’s fiscal policy, which requires that a purchase order be issued before a product is ordered and/or delivered or a service is rendered. In order to satisfy auditors and consider ratification (approval) of this purchase requisition, a detailed explanation as to the reasons why a payment obligation appears to have been incurred prior to the issuance of an approved purchase order. This document must be signed by you and your direct Supervisor.

The attached ‘Unauthorized Purchase Form’ should be completed and returned to the Office of Procurement and Contracting for review. In your explanation, you are required to state, in as much detail as possible, the following (note — additional sheets supporting your explanation may be attached to the ‘Unauthorized Purchase Form’):

- The circumstances surrounding the commitment that includes: the name, title, and division or other unit of the employee or employees responsible, funds availability, reasons for delay in submitting a timely requisition, and any disbursements that have been made (if any).

- The reason(s) why the proper policies and procedures were not followed and why the violation occurred (i.e., how the payment obligation arose prior to submitting a requisition to secure a purchase order).

- Your Department’s internal administrative and accounting controls and procedures in place for controlling instances of contractual commitments and why those controls and procedures were not sufficient to prevent the apparent violation.

- A description of the terms of the commitment, when it arose, when performance ended, how the pricing was negotiated and evaluated, and copies of any relevant correspondence, documents, invoices, or
receipts, if available that define the terms of the commitment. Additionally, provide affirmation that the prices or rates were fair and reasonable.

- Whether required budgetary approvals were obtained beforehand.
- What corrective actions are intended or have been taken, within your department, to improve internal controls and prevent a recurrence by your organization and the employee(s) involved.

As this purchase exceeds $9,999.99, the small-value authority limit, the ‘Unauthorized Purchase Form’ and supporting documentation and clarifying narrative will be forwarded to the University’s Chief Business Officer for deliberation and approval decision.

Your prompt attention to this matter is necessary to allow the University to process payment in a timely fashion, as required by the USG’s Business Procedures Manual Section 6.2, entitled Payment Scheduling, and as mandated by Executive Order of the Governor of the State to pay vendor invoices within thirty days from the latter of the invoice date, the date the invoice is received by the University (generally Accounts Payable), or the date goods and/or services are received by the University.

As a reminder, the Office of Procurement and Contracting, under the direction of the University’s Chief Business Officer, has sole authority to obligate the University for the purchase of supplies, equipment, and services, except where specific delegation of authority has been granted (i.e., small-value authority, P-Card authority, petty cash procedures, etc.). The University will not assume liability for payment of obligations undertaken which have not been made in accordance with University policies and procedures and approved by the designated purchasing officers and signatories for the University. Individual(s) obtaining goods or services, outside of University policies and procedures, can be held solely and totally responsible for the payment of any debt incurred, in addition to progressive disciplinary action (Ref. O.C.G.A. §50-5-79, page 3 and 4 of the Kennesaw State University’s Competitive Solicitation Policy for Faculty and Staff, and the Division of Legal Affairs Contract Review and Approval Process).

Please contact me should you have any questions. The attached form must be returned to the Office of Procurement and Contracting (MD-9110) within seven business days from the date of this letter.

Laura G. McMillan, GCPA, GCPCA
Director, Procurement & Contracting
Agency Procurement Officer (APO)
KENNESAW STATE UNIVERSITY

cc: Unauthorized
Direct Supervisor
Business Manager