



University of Colorado at Boulder

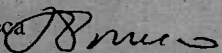
Senior Vice Chancellor and Chief Financial Officer

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MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Ric Porreca 

DATE: 20 October 2005

RE: PERSONAL LIABILITY FOR IMPROPER PURCHASES

This is a reminder that all purchases over \$4,500 require a purchase order that must be processed through the PSC Purchasing Department using the PeopleSoft system. When an individual does not follow this procedure and initiates a commitment of university funds, this individual has placed the University into an After-the-Fact Purchase situation.

Once an action is identified as an After-the-Fact Purchase situation, there is a policy and a detailed process that must be followed that includes requesting approval for payment from either myself or from the State Controller's Office. A full copy of the policy can be viewed at <http://www.cu.edu/psc/policies/downloads/ATF-Purch.pdf>.

It is important to note that this process delays payments to vendors or individuals who have, in good faith, provided goods or services to your unit. It is also important to know that should one of these requests be determined as an unallowable expense, Colorado Law states *that the individual making the purchase may be held personally liable for payment* (see CRS 24-30-202(3)).

I urge you to ensure that you, and all members of your department, are aware of this Policy and that only those delegated with the appropriate responsibility are initiating purchases on behalf of your area. I further urge you to ensure that departmental procurement processes exist and that all members of your department are knowledgeable of these processes to avoid these situations. Many of these occurrences have been caused by individuals who do not normally process procurement paperwork and are, therefore, unaware that very specific rules exist.

Thank you for your attention to this important matter.