

	Responsible Executive: Senior Vice President for University Finance and Business Services	
	Responsible Office: Contracts, Purchasing and Risk Management	
	Effective Date: 1/1/1999	Last Revised: TBD
	Policy Title: 2. Procurement Authority	

Definitions

Refer to Title 1. Procurement General Provisions

Policy

Under Arizona Revised Statutes (A.R.S.) [§ 41-2501.F](#), the Arizona Board of Regents is mandated to establish rules that outline procurement policies and procedures, ensuring they are substantially similar to those detailed in A.R.S. Chapter 23. The Arizona Board of Regents Policy Manual, specifically Article H-University Procurement Code, sets forth procurement policies for the Arizona Board of Regents in alignment with A.R.S. requirements.

Section [3-802](#) of the University Procurement Code sets forth policies for procurement authority. This University Policy supplements such Section [3-802](#).

Section I: Authority

A. Authorized Procurement

Under the direction of the University's Chief Procurement Officer, CPRM serves as the central authority for Procurements made on behalf of the University. No individual, other than the Chief Procurement Officer or designee, is authorized to place an order directly with a vendor or enter into a Contract to purchase goods and/or services unless:

- i. The University President specifically delegates authority for Procurement to the individual; or
- ii. The Chief Procurement Officer delegates Procurement authority specifically to an individual; or
- iii. As provided in this policy.

B. Unauthorized Procurement

Procurements or other commitments made by unauthorized University personnel are not legally binding upon the University and may result in personal liability for the individual making the Procurement or commitment.

- C. Procurements are authorized pursuant to a fully written Contract or use of a PCard in accordance with appropriate Purchasing Card policy.
- D. Department Responsibility
 - i. Submit a Purchase Request for each Procurement and include supporting documentation that clearly details the Procurement prior to obligating the University unless the transaction is allowed under Purchasing Card policy.
 - ii. Purchase Requests for blanket purchase orders shall include a justification for deviation, increase/decrease, from the prior fiscal year.

Section II: Procurement Non-Compliance

A. Procurement Notice of Violation

- i. An unauthorized commitment of University funds for the Procurement of goods and/or services is a violation of this University Policy and may result in non-compliance with other University policies. A University employee (the "Subject Person") who obligates University funds on behalf of the University prior to CPRM issuing a purchase order will receive a Procurement Notice of Violation.
- ii. Consequences for Employees
 - a. First Offense:
 - 1. The Subject Person identified in the Purchase Request will receive a Procurement Notice of Violation detailing the violation and applicable policy.
 - 2. The Subject Person will be required to provide a response to the Procurement Notice of Violation with a narrative explaining how the Subject Person will prevent future violations.
 - 3. The Subject Person shall acknowledge that a second violation will result in notification to their immediate supervisor, require a narrative explaining how the Subject Person will prevent future violations, and require an explanation of how their preventive measures identified in the prior narrative failed to prevent recurrence.
 - b. Second Offense:
 - 1. The Subject Person identified in the Purchase Request will receive a Procurement Notice of Violation with notification to the Subject Person's immediate supervisor detailing the violation and applicable policy.
 - 2. The Subject Person will be required to provide a response to the Procurement Notice of Violation with an explanation of how the preventive measures identified in the prior Procurement Notice of Violation response failed to prevent

recurrence and a narrative explaining how the Subject Person will prevent future violations.

3. The Subject Person shall acknowledge that a third violation will result in notification to their immediate supervisor and appropriate Provost/Vice President, require an explanation of how the preventive measures identified in the prior narratives failed to prevent recurrence, and require a narrative explaining how the Subject Person will prevent future violations.

c. Third Offense:

1. The Subject Person identified in the Purchase Request will receive a Procurement Notice of Violation with notification to the Subject Person's immediate supervisor and appropriate Provost/Vice President, detailing the violation and applicable policy.
2. The Subject Person will be required to respond to the Procurement Notice of Violation with an explanation of how the preventive measures identified in the prior Procurement Notice of Violation responses failed to prevent recurrence and a narrative explaining how the Subject Person will prevent future violations
3. The Subject Person shall acknowledge that the fourth and any continuing Procurement Notice of Violations will result in notification to their immediate supervisor and appropriate Provost/Vice President, will require the Subject Person submit a request to the University's Chief Financial Officer requesting approval to use University funds to pay for the unauthorized commitment, and may result in the Subject Person's personal payment of the obligation if approval to use University funds is not granted.

d. Fourth Offense or Continuing Procurement Notice of Violations:

1. The Subject Person identified in the Purchase Request will receive a Procurement Notice of Violation with notification to the Subject Person's immediate supervisor and appropriate Provost/Vice President detailing the violation and applicable policy.
2. The Subject Person will be required to send an email to the University's Chief Financial Officer with a copy to their immediate supervisor requesting approval to use University funds to pay for the unauthorized commitment. CPRM will not process a purchase order or payment until such approval

is received. The request to the University's Chief Financial Officer shall include the following:

- I. Details of prior Procurement Notices of Violation
- II. Why prior preventative actions did not prevent recurrence
- III. A statement from the Subject Person's immediate supervisor describing how they will prevent future non-compliance
- IV. A detailed public purpose
- V. Description of goods and/or services
- VI. A copy of the invoice(s)

e. Personal Responsibility – An employee who makes an unauthorized Procurement may be personally responsible for payment of the obligation and may be subject to disciplinary action up to and including termination of employment.

B. Consequences for Vendors

- i. CPRM will send a Procurement Notice of Violation letter to the Vendor informing them of the requirement to obtain a University purchase order prior to providing goods and/or services to the University. Persistent non-compliance may lead to contract termination, non-payment by the University of an unauthorized Procurement and/or disqualification from receiving University Awards.

C. Exceptions

A Procurement Notice of Violation will not be issued when a Purchase Request is submitted with an invoice or acceptable documentation for the following types of Procurements or as determined by CPRM prior to issuing the Notice of Violation:

- i. Contracted obligations for goods and/or services including but not limited to maintenance agreements and Lease payments
- ii. Game Guarantees
- iii. Game Officials
- iv. Government or other governing agency payments
- v. Memberships
- vi. Participant payments
- vii. Payments legally required from NAU by the Arizona Board of Regents, and State and Federal agencies
- viii. Refunds
- ix. Registration Fees
- x. Royalties
- xi. Subcontracts under Sponsored Projects
- xii. Subscriptions and Dues
- xiii. Transactions that have been approved in advance by CPRM

- xiv. Vendor payments for insurance claims (as approved by the University's Risk Management Department)

Section III: Signing Contracts

A. Only individuals who have been granted signature authority under the University's [Contract Signature Authority Policy](#) are permitted to sign Contracts on behalf of the University.

B. Contracts for CPRM review in accordance with the Contract Signature Authority Policy will be submitted using the appropriate service in the [Employee Service Center](#).

Related Information*

[Arizona Board of Regents Policy](#)

[Arizona Revised Statutes, Chapter 23](#)

* Related Information and Policy History are solely for the user's convenience and are not part of the official university policy.

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