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## UNIVERSITY OF MIAMI POLICY AND PROCEDURE MANUAL

TITLE: Unauthorized Purchases  
CATEGORY: Supply Chain Services

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SUPERSEDES:

APPROVER: Phil Profeta

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### I. **PURPOSE:**

To provide examples of unauthorized purchases and explain the proper way of obtaining goods and services.

### II. **SCOPE:**

### III. **POLICY:**

1. In general, goods and services are ordered with a University purchase order. A University PCard can be used to order some goods under \$2,000 per transaction/\$10,000 per month. Refer to policy D050 Purchasing Card for a list of restrictions.
2. The Purchasing Department is authorized to act on behalf of the University in all procurement matters. Except where specifically authorized, faculty, staff, and students are prohibited from making commitments or negotiating on behalf of the University or acting as its agent in procurement or contract matters.
3. The President and Senior Vice President for Business & Finance are the only persons who can delegate purchasing and contracting authority. Unless given this authority, no one should enter into a verbal or written contract, agreement or purchase order on behalf of the University (see Policy BSJ – 115 Purchasing Authority): <https://umshare.miami.edu/web/wda/policiesprocedures/Purchasing/PDF-Version/BSJ-115.pdf>

### IV. **DEFINITIONS:**

*Unauthorized Purchase:* a purchase not made in accordance with policies and procedures: Examples of unauthorized purchases include but are not limited to:

- Employee calls a supplier and places an order without providing a PCard or without having a purchase order number (after-the-fact PO);
- Employee obtains equipment on a trial basis without the issuance of a purchase order (See BSJ-040 Demonstration or Trial of Equipment): <https://umshare.miami.edu/web/wda/policiesprocedures/Purchasing/PDF-Version/BSJ-040.pdf>

- Employee signs a supplier contract for goods or services;
- Employee purchases a new computer for the office using a personal credit card;
- Employee purchases product for the office, writing a personal check for the purchase.

**V. PROCEDURE:**

1. Employees must submit a purchase requisition and obtain a valid PO number or use a PCard when placing an order with a vendor.
2. If Step 1 is not followed, the employee who placed the order must complete the “Unauthorized Purchase Approval Form” and state the reason for non-conformance. The department head must sign off on the form before it is submitted to Purchasing.