

Policy No.: MMA3

Authority to Approve Purchases

POLICY STATEMENT

Purchasing will not place an order, sign a contract, create a purchase order, or otherwise commit institutional funds without proper authorization.

REASON FOR POLICY

[Click here to enter text.](#)

ENTITIES AFFECTED BY THIS POLICY

This policy applies Material Management

WHO SHOULD READ THIS POLICY

All staff, faculty, employees, and agents representing or engaging in practice within Materials Management

DEFINITIONS

PROCEDURES

- A. Only those individuals granted agency status are authorized to commit institutional funds as per the GRU policy.
- B. Unless otherwise stated in this policy, agents may only commit those funds after an individual with budgetary responsibility and with signatory authority for the dollar amount of the purchase formally approves the purchase request.
- C. Authority levels:
 - 1. Supplies, services, and minor equipment.

- a. Department managers may approve orders whose total value do not exceed \$500.
- b. Department Directors may approve orders whose total value do not exceed \$1,000.
- c. Vice presidents may approve orders whose total value do not exceed \$1,000,000.
- d. The Chief Executive Officer/Chief Financial Officer/Chief Operations Officer must approve all orders in excess of \$ 1,000,000.

2. Capital items and capital projects.

- a. All items on the approved capital budget will be authorized by the Chief Financial Officer.
- b. Other capital items not budgeted will require approval by the Chief Executive Officer.
- c. Orders will not be split to bypass these authority levels.

D. Exceptions:

1. Orders for inventory items, which have been given a PMM item number, may be placed without any further authorization.
2. Orders for items on departmental recurring requisitions can be placed upon receipt of the completed requisition approved by the department manager/director or his or her designee.
 - a. Items whose annual purchasing value may exceed \$1,000,000 will not be placed on a recurring requisition without the approval of the appropriate vice president.
3. Orders for items on blanket purchase agreements can be placed based on receipt of a request or release by individuals indicated by name or position on the agreement or as otherwise set forth in the agreement.

E. Emergency situations:

1. Agents may commit funds without proper approval when the health or safety of patients, visitors or staff might otherwise be compromised and the proper authorization cannot be secured.
2. When a proper signature cannot be secured the agent will attempt to get verbal approval first.

3. The proper authorizing individual will be contacted as soon as practical after the event to inform him or her of the action.

RELATED DOCUMENTS, FORMS, AND TOOLS

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AUTHORIZING SIGNATURE

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Date