

UNAUTHORIZED PURCHASE PROCEDURE

EFFECTIVE DATE: 5/1/2026

DEPARTMENT: Purchasing Services

1. PURPOSE

The purpose of this procedure is to ensure compliance with the New Mexico Procurement Code and University policy, establish requirements for addressing an unauthorized purchase and to ensure compliance with university purchasing requirements.

2. DEFINITION

A purchase made on behalf of the university without the appropriate routing, review or procurement method (e.g., submitting a requisition after a purchase has been made) is considered unauthorized.

3. SCOPE

This procedure applies to:

- All purchases requiring a Purchase Order that are initiated without prior Purchasing Office review and authorization.
- All expenditures of University funds, regardless of the source (State, Federal, or private), as all monies received by a department are considered University funds.
- Every employee of New Mexico Tech (NMT) across all departments, including faculty and staff, unless otherwise stated in specific delegated procedures.
- This policy typically does not apply to financial assistance actions such as subawards, subcontracts, or subgrants issued under 2 CFR 200.317-326, which do not constitute procurement actions.

4. PROCEDURE

4.1 Mandatory and Documentation

If a department submits a requisition after a purchase has already been made, they must provide an Unauthorized Purchase Memo (see Appendix A for template). The Unauthorized Purchase Memo must be signed by the individual responsible for the

unauthorized purchase and the Vice President with supervisory authority over the department and must include:

- A description of the purchase and vendor.
- The dollar amount and the date the purchase was initiated.
- A detailed explanation for the routing failure.
- Specific corrective actions to prevent recurrence.

4.2 Purchasing Review and Personal Liability

The Purchasing Office will review the documentation to determine whether the purchase may be processed for payment. Unauthorized purchases are not automatically payable.

If state and University purchasing requirements cannot be met retroactively, the individual who initiated the purchase may be held personally responsible for resolving payment directly with the vendor.

5. TIERED CORRECTIVE ACTION FRAMEWORK

New Mexico Tech utilizes a tiered response process to address individual unauthorized purchases and ensure compliance.

5.1 First Occurrence

- Submission of the Unauthorized Purchase Memo pursuant to section 4.1.
- Mandatory completion of individual Purchasing re-training

5.2 Second Occurrence

- Submission of the Unauthorized Purchase Memo pursuant to section 4.1.
- Purchasing privileges for the individual are suspended for two weeks.
- While privileges are suspended, the individual may not initiate purchasing transactions.
- Mandatory completion of individual Purchasing re-training during the suspension period.

5.3 Third Occurrence

- Submission of the Unauthorized Purchase Memo pursuant to section 4.1.
- Formal referral of the matter to the Vice President for Administration & Finance to determine if the individual's purchasing privileges shall be continued, modified, or revoked.

Each Department Head is responsible for ensuring that any employee authorized to initiate or approve purchases has completed all mandatory University procurement training and remains current on updated policies and procedures. Failure to ensure

staff are properly trained may result in the suspension of departmental purchasing privileges.

6. P-CARD AND GAS CARD VIOLATIONS

For unauthorized purchases made via University cards:

6.1 Immediate Correction

Cardholders must reverse unauthorized transactions through personal reimbursement or vendor credit.

6.2 Severe Misconduct

Personal use of University funds is prohibited. Willful violations of the Procurement Code may constitute a misdemeanor or felony depending on the dollar amount.

7. TRAINING & GUIDANCE

The Purchasing Office is available at any time to provide guidance, answer questions or provide training/retraining to help departments avoid unauthorized procurement actions.

APPENDIX A: UNAUTHORIZED PURCHASE MEMO TEMPLATE

TO: Purchasing Services Office

FROM: [Name of Individual Responsible]

THROUGH: [Name of Supervising Vice President]

DATE: [Current Date]

SUBJECT: Unauthorized Purchase Documentation and Corrective Action Plan

Unauthorized Purchase Details

Vendor Name: [Insert Vendor]

Description of Goods/Services: [Insert Description]

Total Dollar Amount: \$[Insert Amount]

Date Purchase was Initiated: [Insert Date]

Explanation for Routing Failure: [Insert Explanation: Provide a detailed explanation of why this purchase was initiated before a Purchase Order was reviewed and authorized by the Purchasing Office (e.g., lack of knowledge of threshold, emergency without notification, etc).]

Departmental Corrective Action Plan: [Insert Corrective Actions: Describe the specific steps the department and the individual are taking to ensure this error does not recur (e.g., timeline for mandatory retraining, internal review changes).]

Individual Responsible for Purchase

Date

Vice President with Supervisory Authority

Date