

DISBURSEMENTS: APPROVALS

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DISBURSEMENTS: APPROVALS

I. INTRODUCTION

This chapter summarizes the level of approval required for various types of non-payroll payments made by the University.

University-wide procedures that cover specific types of payments, e.g., Business and Finance Bulletins (BFB) related to travel, entertainment, moving, independent contractors or outside consultants are referenced throughout the summary. Various Accounting Manual chapters (AMC) and other University manuals that contain relevant information also are referenced (see References, section IV below, for more information).

II. AUTHORITY TO MAKE PURCHASES

The authority to make purchase commitments resides with The Regents, who have delegated much of this authority to the President, in Standing Order 100.4. This authority has been redelegated by the President to the Chancellors and the Laboratory Directors. In the President's memorandum to the Chancellors and Laboratory Directors of June 11, 1998, this authority was further redelegated to the materiel managers and University librarians.

The materiel managers may grant authorization for certain low-value purchases to individuals in departments outside the purchasing department by means of a Low-Value Purchase Authorization (LVPA), subject to the limitations specified in BFB [BUS-43](#), Materiel Management. Procurement cards may be used for some low-value purchases, in accordance with

* BFB [BUS-43](#).

Individuals who have been delegated signature authority are subject to the guidelines for both paper and electronic signature procedures set forth in AMC [D-224-17](#), Delegation of Authority--Signature Authorization.

III. SUMMARY OF AUTHORIZATION REQUIRED FOR PAYMENT

The levels of approval indicated below for leases and contracts are based on the assumption that the time periods and amounts involved fall within the Chancellor's area of authority. Contracts in excess of specified amounts may require Regental approval--see Standing Order 100.4 for details.

- ** Reimbursements to University employees for purchases of goods (e.g., departmental supplies, etc.) should be discouraged as there are other options available for making such purchases, including purchasing cards and low value purchase orders. An employee may not be reimbursed for payments to third parties for services, except for expenses incurred in connection with business travel and entertainment.

Payments to University employees for services not related to their regular jobs must be made through the Payroll/Personnel System (PPS), in order to meet Federal tax withholding and reporting requirements, unless such services qualify as independent contractor services (see

- * BFB [BUS-43](#), Materiel Management, Part VII, Employee-Vendor Relationships).

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
Computers and related equipment	Yes	Approval by Chancellor or his designee. Purchase order or purchase contract is normally required.
Conference registration fees	No	Approval as required by campus policy (department may approve if no policy to the contrary). Payment is accounted for by Travel Expense Voucher (Form

III. SUMMARY OF AUTHORIZATION REQUIRED FOR PAYMENT (Cont.)

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
		U85) or equivalent form. If no travel is involved, or fees are billed directly to the University, payment can be made by Form 5 or equivalent.
Construction contract payments	No	Approval by campus architects and engineers office or physical plant department as appropriate.
Consultants	No	Approval by executing officers designated by the Vice President or Chancellor on consultant agreement. Expenditures must be made in accordance with BFB BUS-34 , Securing the Services of Independent Consultants (see also Independent Contractors).
Entertainment	No	Approval of expenditures must be in accordance with BFB BUS-79 , Entertainment.
Equipment (inventorial)	Yes	Purchase order or purchase contract normally required. Exception by campus for some low-value purchases.
Equipment (non-inventorial)	Yes	Same as Supplies.
Fees for architects	No	Approval in accordance with procedures set forth in the University Facilities Manual.

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
Artists, and Special services such as the following: Sign painters Poster makers Window decorators Illustrations by artists Testing lab fees Soil tests Building material tests	Yes	Same as Supplies. However, if an employee-vendor relationship exists, a special report must also be prepared (see BFB BUS-43 , Materiel Management).
Machine shop charges for use of special equipment Manuscript work		
Freight	No	Accounting office should verify that 1) F.O.B. terms indicate that freight payment is the University's responsibility, 2) freight on goods received is authorized by the purchase order covering the goods, and 3) goods are shipped by the carrier specified in the purchase order (the University has negotiated reduced rates with some carriers). (See AMC D-371-28 , Freight)
Grants from campus funds (for Faculty research, travel, etc.)	No	Offices designated by the Chancellor.

III. SUMMARY OF AUTHORIZATION REQUIRED FOR PAYMENT (Cont.)

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
Honoraria	No	Approval of the Chancellor or the Vice President, or by a person who has been delegated such authority (See AMC D-371-35 , Honorarium Payments.)
Human subjects for experiments	Yes	Approval of department, as regulated by materiel manager. If grant or contract, also review terms of award for additional required approval.
Independent Contractors	Yes	Approval must be in accordance with BFB BUS-77 , Independent Contractor Guidelines.
Insurance, liability and property damage	No	Approval by the Director of Risk Management, Office of the President. (See BFB BUS-63 , Insurance Requirements/ Certificates of Insurance).
Library materials (books, periodicals etc.)	Yes	Approval of library acquisition departments on invoices. On delegation from the Chancellor or the library to departments, approval of departments on invoices. (See BFB BUS-43 , Material Management).
Memberships	No	Approval of expenditures must be in accordance with BFB G-43 , Policy on University Membership in Organizations.

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
Moving expense	No	Approval for moving and relocation expenses must be in accordance with BFB G-13 , Policy and Regulations Governing Moving and Relocation.
Petty cash reimbursements	No	Approval as required by campus purchasing/business offices and the internal control standards set forth in AMC C-173-61 , Cash: Petty Cash Disbursements.
Postage	No	Approval by department incurring the charge. Payments by department other than the campus mailing division must be in accordance with BFB BUS-65 , Guidelines for University Mail Services.
Real estate	No	Approval by the Treasurer.
Reimbursement to employees for supplies purchased	No	Approval as required by campus purchasing offices.
Rental or lease of personal property	Yes	Approvals as required by campus purchasing office.
Rental or lease of real property	No	Lease approved at appropriate level, in conformance with the Lease Administration Manual.
Service charges on past-due invoices	No	Approval of expenditures must be in accordance with BFB BUS-43 , Materiel Management.

III. SUMMARY OF AUTHORIZATION REQUIRED FOR PAYMENT (Cont.)

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
Service contracts, including repair and maintenance	Yes	Same as Supplies.
Services not otherwise specified	Yes	Same as Supplies.
Sports officials	No	Approval by office designated by Chancellor. Normally the athletics department is authorized to approve payments without review by purchasing office.
Student aid	No	Approval by campus student aid office, graduate division, or other cognizant office.
Subscriptions to periodicals	No	Approvals as required by library acquisition department.
Supplies	Yes	Purchase order or purchase contract required. However, the campus purchasing office may permit departments to make purchases up to a specified amount on the basis of a blanket authorization (both miscellaneous blanket and specific vendor blanket--see BFB BUS-43 , Materiel Management). Such purchases are subject to post audit.

III. SUMMARY OF AUTHORIZATION REQUIRED FOR PAYMENT (Cont.)

<u>Item</u>	<u>Purchase Order or LVPA Required</u>	<u>Authorization Required for Payment</u>
Telephone	No	Approval by either campus telephone office or by individual department (if service is billed directly to department).
Travel	No	Expenditures must be in accordance with BFB G-28 , Policy and Regulations Governing Travel.
Tuition for courses taken by staff personnel	No	Approval as required by campus policy. Payment is accounted for by Travel Expense Voucher (for courses involving travel) or by Form 5 (or equivalent) and must be in accordance with AMC T-182-77 , Taxes: Taxation of Scholarship and Fellowship Grants and Educational Assistance (see also Personnel Policies for Staff Members 51).
Utilities (Electricity, gas, and water)	No	Approval of physical plant department, or by individual department if service is off-campus and billed directly to the department.

IV. REFERENCES

The Regents of the University of California, Standing Order 100.4, Duties of the President of the University.

Academic Personnel Manual:

[Section 550](#) Moving Expenses for Intercampus Transfers

[Section 560](#) Removal Expenses/General

[Section 561](#) Removal Expenses/Assistants

Business and Finance Bulletins:

[BUS-34](#) Securing the Services of Independent Consultants

[BUS-43](#) Materiel Management

[BUS-63](#) Insurance Requirements/Certificates of Insurance

[BUS-65](#) Guidelines for University Mail Services

[BUS-77](#) Independent Contractor Guidelines

[BUS-79](#) Entertainment

[G-13](#) Policy and Regulations Governing Moving and Relocation

[G-28](#) Policy and Regulations Governing Travel

[G-43](#) Policy on University Memberships in Organizations

Policy Letters of the Office of the President:

President Clark Kerr, Memorandum to Chief Campus Officers delegating to each Chancellor the authority to approve payment of removal expenses to staff appointees upon certification of the Chief Personnel Officer (Personnel Manager) when certain conditions are met, June 15, 1959.

President Richard C. Atkinson, Memorandum to Chancellors and Laboratory Directors on Delegation of Authority--Execution of Purchase Contracts, Subcontracts, and Standard Purchase Orders for Materials, Goods and Services to be Supplied to the University, June 11, 1998.

Vice President Chester O. McCorkle, Memorandum to Chancellors and Administrative Officers, Office of the President, on University Membership in Organizations, March 6, 1972.

Accounting Manual chapters:

A-000-7	Official Documentation Required in Support of University Financial Transactions
C-173-61	Cash: Petty Cash Disbursements
D-224-17	Delegation of Authority--Signature Authorization
D-371-28	Freight
D-371-35	Disbursements: Honorarium Payments
D-371-36	Disbursements: Invoice Processing in Response to Purchase Authorizations

IV. REFERENCES Cont.)

University of California Facilities Manual

University of California, Office of the President, Lease
Administration Manual

University of California, Office of the President, Personnel
Policies for Staff Members

Historical note: Some of the materials in this chapter were formerly included in the letter dated July 24, 1961, from Vice Presidents Kettler and Morgan. Accounting Manual chapter first published 7/1/73; revisions 3/1/80, 6/1/82, 4/15/86, 6/30/01, 3/31/07, and 3/31/08; analyst--John Barrett.