

DATE:

TO:

FROM: Geraldine Trujillo-Martinez, Purchasing Department

RE: After-the-Fact Purchase Requisition(s)

The attached requisition is for an after-the-fact purchase of goods or services. This appears to be a violation of State of Colorado and University fiscal rules, which require that a commitment voucher be issued before a product is ordered and/or delivered or a service is rendered. In order to satisfy auditors and consider ratification (approval) of this purchase requisition, the Fiscal Rules require a detailed explanation as to the reasons why a payment obligation appears to have been incurred prior to the issuance of an approved commitment voucher (PO or authorized state contract). This document must be signed by you and your Dean (if in an academic department, or otherwise, Department Head).

In your explanation, please state in detail:

- a. The circumstances surrounding the commitment to include: the name, title, and division or other unit of the employee or employees responsible, funds availability, reasons for delay and any disbursements that have been made.
- b. The reason(s) why the proper procedures were not followed and why the violation occurred (i.e. how the payment obligation arose prior to the issuance of the commitment voucher).
- c. Your Department's internal administrative and accounting controls and procedures in place for controlling instances of contractual commitments and why those controls and procedures were not sufficient to prevent the apparent violation.
- d. A description of the terms of the commitment, when it arose, when performance ended, how the pricing was negotiated and evaluated, and copies of any relevant correspondence, documents, invoices, or purchase orders, if available that define the terms of the commitment. Affirm that the prices or rates are **fair and reasonable**.
- e. Whether required approvals have been obtained. For example, include evidence of Department of Personnel personal services privatization approval, if applicable.
- f. What corrective actions are intended or have been taken to improve internal controls and prevent a recurrence by your organization and the employees involved.
- g. If similar violations have occurred in the past, please explain why the corrective actions taken have not prevented the problem from recurring.

If the purchase exceeds \$5000.00, the explanation will be forwarded to the University Controller. The University Controller will notify the State Controller and request ratification of the procurement or other instructions or disposition consistent with applicable statutes and rules.

In order to maintain a good relationship with this vendor we ask that you respond as soon as possible so payment can be processed. Please call me at x2504 if you have questions.

Thank you.

cc: Unauthorized File