



University of California, Merced Unauthorized Purchase Policy

Effective Date: January 1, 2026

Responsible Office: Procurement Services

Policy Owner: Associate Vice Chancellor – Chief Procurement Officer, Procurement and Contract Services

1. Policy Purpose

To uphold the integrity of University of California, Merced’s (UC Merced) procurement process and ensure compliance with UC systemwide policy (BUS-43), this policy establishes campus-specific guidance and outlines consequences related to unauthorized purchases.

2. Definition of Unauthorized Purchase

An unauthorized purchase—also known as an after-the-fact purchase—is any procurement action not approved through proper University channels prior to the commitment of University funds. Examples include, but are not limited to:

- Purchases made by individuals without an official Delegation of Authority (DOA) to obligate UC Merced funds.
- Transactions conducted outside of approved procurement methods (e.g. direct purchases from vendors without a valid PO or P-Card).
- Signing a contract or agreement without a written signature delegation from the Chancellor or delegated authority.
- Initiating services or receiving goods before a fully executed purchase order is communicated to the vendor.
- Purchases that exceed the individual's DOA or P-Card transaction limits.

Such actions violate University policy and may result in the individual being held personally liable for payment.

3. Policy Requirements

All purchases at UC Merced must be authorized in advance via:

- A valid Purchase Order (PO)
- A Procurement Card (P-Card) transaction within authorized limits



If goods are received or services rendered before authorization, a Policy Violation Justification Form must accompany any subsequent requisition or invoice. The form must include:

- A detailed explanation of the violation
- A corrective action plan
- Required signatures from the:
 - Department Business Officer or Chief Administrative Officer (CAO)
 - Department Head
 - Respective Vice Chancellor or Dean

4. Consequences of Unauthorized Purchases

In accordance with BUS-43, Section III.H, individuals responsible for unauthorized purchases may face the following:

a. Personal Financial Liability

The individual may be required to reimburse:

- The full amount of the purchase (if deemed unnecessary or inappropriate)
- Any cancellation or penalty fees
- The cost difference between the actual payment and what UC would have paid following proper procedures

b. Disciplinary Action

May include:

- Formal written warning
- Required procurement training
- Temporary or permanent loss of P-Card or DOA privileges
- Referral to Human Resources for further disciplinary review



c. Escalation and Reporting

All incidents will be documented and reported to:

- The **UC Merced** Chief Procurement Officer
- The Vice Chancellor and Chief Financial Officer
- UCOP Procurement Services, if applicable

5. Prevention and Guidance

To prevent unauthorized purchases:

- Ensure a valid PO or P-Card transaction is in place before services begin or goods are received.
- Contact Procurement Services before engaging with any vendor.
- Do not sign contracts or agreements unless you have official signature authority.
- Consult your Department Chief Administrative Officer or the Procurement and Contract Services (procurement@ucmerced.edu) for support.

6. Related References

- BUS-43 – UC Systemwide Procurement Policy ([Click Here](#))
- **UC Merced** Delegation of Authority Matrix ([Click Here](#))
- Documentation of Policy Violation Form ([Click Here](#))