

The attached invoice is for an unauthorized purchase of goods or services. This appears to be a violation of Colorado State University Fiscal Rules, which require that a commitment voucher (PO or authorized University contract) be issued before a product is ordered or a service is rendered. In order to satisfy auditors and consider ratification (approval) of this expenditure, 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. This document must be signed by you, your unit’s business officer, your Department Head/Director, and your Dean or Vice President. Please do not route for signatures until initial review by Procurement Services.

***Please respond in a “question followed by response” format as outlined below.***

In your explanation, please state in detail:

1. **Description of the commitment**. Include:
   1. vendor name, *(response here)*
   2. description of the goods or services, *(response here)*
   3. dollar amount, *(response here)*
   4. date the commitment arose, *(response here)*
   5. whether disbursements have been made, *(response here)* and
   6. copies *(attached)* of any relevant correspondence, documents, invoices, purchase orders, and contracts that define the terms of the commitment.
2. **Explanation of why commitment arose before it was authorized**. Include:
   1. the organizational unit and name and title of person or persons responsible, *(response here)*
   2. if similar violations have occurred in the past, *(response here)*
   3. description of internal controls for purchasing goods or services, *(response here)*
   4. why controls did not prevent the situation from occurring, *(response here)* and
   5. whether either party acted in bad faith or in a fraudulent manner. *(response here)*
3. **Evaluation of pricing**. Include an assessment of whether the prices or rates are fair and reasonable, and the basis for that conclusion. As appropriate, include University procurement procedures that were used and whether all other required approvals were obtained. *(response here)*
4. **Expenditure and unencumbered balance**. Confirm that the expenditure is within the unencumbered balance and that the department has the funds to pay for the commitment. *(response here)*
5. **Description of preventative steps**. List the steps that are planned to prevent a reoccurrence of this situation in the future. If similar violations have occurred in the past, explain why prior preventative actions have not precluded the problem from reoccurring. *(response here)*

This explanation will be forwarded to the University Controller for ratification of the expenditure or other disposition consistent with applicable statutes and rules. In order to maintain a good working relationship with this vendor and to seek approval of this expenditure, we ask that you respond as soon as possible. If this expenditure is not ratified by the University Controller, it will become the personal obligation of the individual who ordered the goods or services and incurred the obligation.

Please add additional signature lines as needed.

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Responsible Party

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Business Officer

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Department Head / Director

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Dean / VP