

Policy 509.2

1 Introduction

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4.1 Budgetary Head

4.1.1 The University operates on the principle of budgetary allotments to various offices, divisions, departments, colleges and other operating units. All funds including special, Federal, local, gifts, bequests, receipts, fees and State appropriated funds that are used for the purchase of equipment, materials, supplies and services shall be handled under the provisions of North Carolina General Statutes, Chapter 143, Article 3 (Purchases and Contracts). The administrative head of each area is responsible for expenditures from funds in that area.

4.1.2. The authority to make purchases from the allotted departmental budgets for services or materials is furnished to the University Purchasing Office in writing by an authorized administrator, as budgetary head, on a Procurement Request.

4.1.3 Spending of budgeted funds from grants, contracts and other extramural sources must be authorized by the Assistant Controller for Special Funds.

4.1.4 The administrative head of an operating unit is accountable to the University's Chancellor for all supplies, materials, equipment, and services purchased in the University's name regardless of the source of funds. The administrative head is responsible for taking adequate precautions to protect such materials from theft and abuse and maintaining adequate records on movable equipment necessary for proper identification and location.

4.1.5 In addition to the administrative head of any operating unit and the principal investigator on any grant received by the University, each employee whose duties include a purchasing function is responsible for compliance with State and federal law and regulations governing purchases and these policies. Each such employee may be subject to criminal prosecution in addition to employment discipline for failure to do so. North Carolina General Statutes, § 133-32 makes unlawful the willful receipt of a gift or favor by any officer or employee of a governmental agency who is charged with the duty of:

1. Preparing plans, specifications, or estimates for public contracts; or
2. Awarding or administering public contracts; or
3. Inspecting or supervising construction.

4.1.6 North Carolina General Statutes, § 143-58.1 generally prohibits the use of the State's purchasing powers, policies or procedures to purchase, attempt to purchase, procure or attempt to procure any property or services for private use or benefit.

Purchase_Authorizations

4.1.7 North Carolina General Statutes, § 14-234 generally prohibits any State employee from gaining personal benefit from a State agency or institutional contract. Specifically, it states, in part:

(a)(1) No public officer or employee who is involved in making or administering a contract on behalf of a public agency may derive a direct benefit from the contract except as provided in this section, or as otherwise allowed by law.

(2) A public officer or employee who will derive a direct benefit from a contract with the public agency he or she serves, but who is not involved in making or administering the contract, shall not attempt to influence any other person who is involved in making or administering the contract.

(3) No public officer or employee may solicit or receive any gift, reward, or promise of reward in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves.

(a1) For purposes of this section:

(2) A public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.

(4) A public officer or employee derives a direct benefit from a contract if the person or his or her spouse: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) acquires property under the contract.

4.1.8 Copies of the statutes cited above may be obtained from the Office of General Counsel upon request.

5 Additional References

6 Authority

7 Contact Information

8 Original Effective Date

9 Revision Dates