



POLICY #57001.1

(related Policies #57001; 57001.2)

VENDOR AUTHORIZATION AND PURCHASE PRE-APPROVAL REQUIREMENTS POLICY

Effective Date: June 15, 2026

Responsible Office: Purchasing Department

Division: Administration & Business Affairs / Department of Finance

I. PURPOSE

This policy establishes minimum requirements for vendor authorization, engagement controls, and procurement compliance enforcement to ensure all University purchases are properly authorized prior to the receipt of goods or services, regardless of dollar value or procurement method. This policy supports GSU Policy 57001 Small Purchases by clarifying vendor authorization requirements and strengthening internal controls and GSU Policy 57001.2 Departmental Purchasing Accountability.

II. STATEMENT OF APPLICABILITY

This policy applies to:

- a. All faculty, staff, and administrators initiating or approving purchases.
- b. All purchases made with university-controlled funds (including state, federal, grant, and auxiliary funds).
- c. All purchase activities, including requisition-only transactions and small dollar purchases.
- d. All departments and university affiliates engaged in procurement.
- e. All vendors providing goods or services to the University.

III. SCOPE OF POLICY – VENDOR AUTHORIZATION REQUIREMENTS

- A.** No vendor may be engaged without prior authorization through the Purchasing Department.
- B.** Vendor authorization is required before any work is initiated, regardless of dollar value.
 1. A vendor is considered “authorized” only when all of the following are completed:
 - a) Vendor is established in the University’s procurement/vendor system OR database;
 - b) Required compliance documentation is received and approved (e.g., W-9, tax and eligibility documentation); and
 - c) A valid Purchase Order (PO) or other procurement instrument is issued by the Purchasing Department.
 2. Requisitions alone do not constitute vendor authorization.

IV. PURCHASING AUTHORIZATION CONTROLS

1. The issuance of a Purchase Order (PO) is the sole instrument of procurement authorization for goods and services unless otherwise expressly exempted in writing by the Office of Purchasing.

VENDOR AUTHORIZATION AND PRE-PURCHASE REQUIREMENTS

2. Departments are prohibited from:
 - a) Directly authorizing vendors to begin work
 - b) Requesting or accepting services prior to PO issuance
 - c) Entering into informal or verbal agreements with vendors
3. Any services performed without prior PO issuance are considered unauthorized procurement activity, subject to review and potential non-payment.

V. SMALL-DOLLAR PURCHASES

1. Purchases below formal contract thresholds or simplified requisition levels are not exempt from vendor authorization requirements.
2. All small-dollar purchases must still:
 - a) Be initiated through a requisition (if required by system workflow)
 - b) Be supported by an approved vendor record
 - c) Result in a valid PO prior to service delivery or goods receipt

VI. UNAUTHORIZED PURCHASES (AFTER-THE-FACT TRANSACTIONS) NON-COMPLIANCE

1. Any procurement activity initiated without prior vendor authorization and PO issuance is considered an unauthorized procurement transaction.
2. Such transactions may be subject to:
 - a) Payment denial
 - b) Formal ratification review by Procurement and Finance leadership
 - c) Corrective administrative action, including training or purchasing restriction
3. Repeated violations may result in suspension of departmental purchasing privileges and administrative review.

VII. RESPONSIBILITIES

- A. Purchasing: Maintains vendor authorization system, issues POs, enforces compliance
- B. Departments/Requestors: Ensure no vendor engagement occurs prior to authorization
- C. Accounts Payable: Verifies PO and vendor authorization prior to payment processing
- D. Finance: Oversees exception handling and ratification determinations

VIII. ACCREDITATION

GSU is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award associate, baccalaureate, master's, and doctorate degrees. GSU also may offer credentials such as certificates and diplomas at approved degree levels. Questions about the accreditation of GSU may be directed in writing to the Southern Association of Colleges and Schools Commission on Colleges at 1866 Southern Lane, Decatur, GA 30033-4097, by calling (404) 679-4500, or by using information available on SACSCOC's website (www.sacscoc.org).

IX. APPENDIX

Vendor Authorization and Purchase Pre-Approval Guide



WHEN CAN I TALK TO A VENDOR? - POLICY 57001.1 GUIDE

Policy 57001.1 – Vendor Authorization and Purchase Pre-Approval Requirements

START: Department Need Identified

You want to buy goods or services or explore a vendor.

STEP 1
1

CAN YOU ENGAGE THE VENDOR?

YES – You may ONLY have exploratory conversation IF:

- You are gathering general information (scope, capabilities, pricing ranges)
- You clearly state:
“This is not an authorization to begin work or provide services.”
- NO commitment, verbal agreement, or implied approval is made

PROCEED TO STEP 2

NO – You CANNOT engage the vendor IF:

- You are asking them to start work
- You are requesting deliverables, services, or scheduling
- You are implying approval or commitment
- You are discussing execution timelines tied to University work

STOP – Must go to Purchasing first.

IMPORTANT RULE (NON-NEGOTIABLE)



NO PURCHASE ORDER = NO WORK AUTHORIZATION

Even if:

- The amount is small (\$200 or less)
- A requisition has been submitted
- The vendor is known or previously used

NONE OF THIS AUTHORIZES WORK WITHOUT A PO.

STEP 2
2

SUBMIT REQUISITION

- Enter requisition in system
- Define scope of work or goods needed
- Attach supporting documentation (quotes, justification if required)

STEP 3

VENDOR STATUS CHECK (PURCHASING ONLY)

Purchasing verifies:

- Vendor is established in system
- Vendor compliance documents are complete
- Vendor is eligible to receive University funds

STEP 4

PURCHASE ORDER (PO) ISSUED

ONLY AFTER THIS STEP:

- Vendor is officially authorized
- Vendor may begin work or deliver goods
- University is legally committed

STEP 5

VENDOR PERFORMANCE

- Vendor completes work or delivers goods
- Department confirms receipt
- Invoice processed ONLY if PO exists

RED FLAGS – STOP IMMEDIATELY

If ANY of the following occur:

- Vendor starts work before PO is issued
- Invoice arrives before PO exists
- Department “promised” work to vendor
- Vendor bypassed Purchasing

This is an Unauthorized Procurement Event.

MUST BE REPORTED TO:

PURCHASING

ACCOUNTS PAYABLE

FINANCE

ADMINISTRATION & BUSINESS AFFAIRS



QUICK MEMORY RULE

Talk = OK (information only)

Work = NOT OK until PO exists

ONE-LINE SUMMARY: Departments may speak to vendors for information, but only Purchasing can authorize work through a Purchase Order.

