

Financial Services Manual (FIN)

FIN 119: Public Purpose Served

Effective: 7/1/1993

Revised: 7/1/2019

Purpose

To provide guidance in situations where university departments are submitting bids for providing goods/services in competition with private enterprise

Source

University policy

Policy

The State Auditor General’s Office has requested that governmental organizations ensure that disbursement transactions (e.g., supplier invoices, travel authorizations/reimbursements, and Purchasing Card [P-Card] payments) have written information in the organization’s disbursement files relating to the public purpose served by an expenditure, if not readily apparent by the nature of the item. The official disbursement files for payment vouchers and travel/authorizations/reimbursements documents at ASU reside in the Payables and Reimbursements section of Financial Services. Documentation related to P-Card transactions are maintained in the card holder’s departmental files.

In order to fulfill ASU’s fiduciary requirements and to make the ASU disbursement process as efficient as possible, with each disbursement request, Financial Services requires clear documentation of the public purpose served to ASU by an expenditure. Financial Services reviews disbursement requests to ensure that sufficient documentation is provided. If the public purpose is not clearly documented, departments will be asked to provide additional documentation.

Three examples of disbursement requests that do not adequately show the public purpose being served to ASU are as follows:

Examples of Disbursement Requests Showing Inadequate Documentation	
Example	Problem Noted
A travel authorization with the notation “attending a conference” or “attending a meeting.”	There is insufficient information for an independent party (e.g., outside auditor) to make an initial judgment on whether a public purpose is being served since the conference being attended is not indicated. For example, attendance at a conference on current veterinary medicine issues by a professor of veterinary medicine would meet the test of public purpose served; attendance by the same employee (whose current and prospective employment responsibilities are in the veterinary medicine area) at a conference on political causes would not meet the public purpose test. The specific conference or meeting being attended needs to be indicated and acronyms should be avoided unless previously defined in the narrative.

<p>An employee reimbursement request or a P-Card payment having attached to it a Business Meals, Food and Related Expense Form noting the purpose of the expenditure as being “met to discuss university business.”</p>	<p>As in the previous example, there is insufficient information for an independent party to make an initial judgment on how the university benefited from the expenditure of public funds. The actual benefit to the university (e.g., potential donation, or counsel from prominent community leader on XYZ program) needs to be noted.</p>
<p>A supplier invoice for a customer refund with no other information or documentation.</p>	<p>In this example, the public purpose served is not indicated through statement or other indication as to why the refund is being paid (e.g., ASU-sponsored conference has been canceled, customer overpayment, or student has withdrawn from school).</p> <p>In addition, for refunds of \$100 or more, Financial Services also needs supporting documentation that a payment by the customer had previously been made. For all refunds of \$100 or more, the supplier invoice needs to have attached to it a copy of the original ASU Cashier Receipt, Departmental Receipts Log, Conference Registration Form, or other appropriate documentation that provides evidence that the disbursement request constitutes a refund of a previous payment by ASU.</p>