



New York Medical College Policy and Procedure Manual

Section: BUDGETS	No.: CO.210
	Date: June 11, 2007
Subject: PROCESSING OF PURCHASE ORDERS FOR CAPITAL EXPENDITURES	Page 1 of 3
	Supersedes: 2/3/1997

I. Purpose

To establish guidelines for submitting purchase orders for budget-approved capital equipment and capital projects.

II. Scope

This policy applies to capital expenditures for all funding sources including Grants, Designated Purpose Funds (DP), Faculty Practice (FP) and College Hard Dollars.

III. Definitions

Capital Equipment - A single piece of equipment with a market value of \$3,000 or more and a useful life of two or more years.

Capital Projects - Construction, renovation or renewal projects undertaken at New York Medical College facilities.

IV. Policy

It is the policy of New York Medical College that expenditures for capital equipment and capital projects are to be made with funds approved by the Board of Trustees or by a funding agency. Requests to transfer hard dollars from the College's operating budget to fund a capital purchase will require the approval of the Chief Financial Officer.

V. Procedures - Hard Dollars

- A. All requests for capital equipment or capital projects must be reviewed by the Budget Office. If funds are available for the approved purpose, the request is assigned a Purchase Order (P.O.) by the Budget Office and forwarded to the Chief Financial Officer for review. The Budget Office will retain a copy of the P.O.
- B. If the Chief Financial Officer approves the expenditure, the P.O. is forwarded to the Purchasing Department for further processing.

Issued By:	Approved By:
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- C. If the expenditure is not approved, the P.O. is returned to the initiator with an explanation (generally, that the request exceeds the approved budget or was not included in Board approved budgets.)

VI. Procedures - Restricted Funds Accounting Department

- A. Requests for capital equipment or capital projects using funds from Grants and Contracts, Designated Purpose Funds, and Faculty Practice Funds are reviewed by the Restricted Fund Accounting Department. If funds are available in a Designated Purpose Funds and/or Faculty Practice Funds account, the request is approved and forwarded for further processing. If funds are available in Grants and Contracts, and if the equipment and capital projects have been approved in the budget, or have the granting agency's approval or fall under the College's expanded authority to approve such spending, the requests are approved and forwarded for further processing.
- B. P.O.s are forwarded to the Chief Financial Officer for review. If approved, they are returned to the Restricted Funds Accounting Department, which retains a copy and forwards the P.O. to the Purchasing Department for further processing.
- C. If not approved, the P.O. is returned to the initiator with an explanation; for example, inadequate funding or, in the case of a grant or contract, if there is no budget or agency approval.

VII. Responsibility

- A. Department Chairperson/Head - Submit requests to the Budget Office after prior approval by the Board or after including the request in the proposal's budget in the case of grants and contracts.
- B. The Chief Financial Officer assures that requests have been approved by the Board of Trustees, grant or respective funding source. Any request to transfer hard dollars from the operating budget to fund a capital purchase must be approved by the Chief Financial Officer.

C. Budget Office

1. Verify that each request for capital equipment and capital projects using hard dollars was approved by the Board and does not exceed the authorized amount. Verify that the Chief Financial Officer's approval has been granted for requests to transfer hard dollars from the operating budget to fund a capital purchase.
2. Provide advice and guidance with respect to the interpretation and administration of this policy.

D. Restricted Funds Accounting Department

1. Verify that each request for capital equipment and projects has both adequate funds available and granting agency approval.
2. Provide advice and guidance with respect to the interpretation and administration of this policy.