

**Sam Houston State University**  
**A Member of The Texas State University System**

**Finance & Operations Policy FO-15**  
**Expenditures**

All funds received by the university shall be expended and accounted for through the Controller's Office. No department of the university shall incur an obligation in excess of the amounts appropriated to it for the respective objects or purposes named. In the event this provision is violated, the internal auditor shall certify the fact and the amount of over-obligation to the CFO and Sr. Vice President of Finance and Operations and he/she shall deduct an amount or amounts equivalent to such over-obligation from the salary or other compensation due the responsible disbursing or requisitioning employee, and apply to the payment of the obligation. In addition, purchases of merchandise which are handled by employees without a purchase order (refer to FO-27 Merchandise Purchases by Employees) may not be reimbursed to that employee without the following:

1. Justification statement explaining the reason for not processing a purchase order or utilizing the PCard.
2. Approval by the appropriate dean, vice president and the President.

Advance payment for goods or services will be made only for the following items:

1. Deposits
2. Subscriptions
3. Institutional memberships
4. Registration fees
5. Annual maintenance agreements
6. Payment to a state or federal agency if the goods or services cannot be provided until payment is made.
7. Student group travel cost if advance payment is required by the vendor.

If a department makes an advance payment and the goods or services are not provided, the department is responsible for pursuing appropriate legal remedies to recover the payment.

Disbursement of checks – refer to Finance & Operations Policy FO-50 – Check Disbursement.

Reviewed by:           Tessy Rappé - Assistant Vice President for Finance and Operations  
                                  Reneé Starns – Exec. Director Procurement and Business Services

Review Date:           September 2020

Next Review Date:    August 2023