Date: March 23, 1981

From: Offices of Vice Chancellor for Finance and Business and University Counsel and Vice Chancellor for Legal Affairs

Subject: Procedures for Processing of Contracts Not Exceeding $5,000 in Value

We are pleased to advise you that revised procedures are now in place governing the manner in which State University contracts for goods and services of $5,000 or less in value are to be processed.* As a result it is anticipated that processing, which in the past required the review and approval of several State agencies over a two to four month period or more, will now require no longer than a few weeks.

--Based on 1980 legislation amending the State Finance Law to raise the prior approval level from $1,000 to $5,000 (L. 1980, Ch. 468), the State Comptroller has issued Accounting and Control Manual Bulletin No. F-206 which incorporates general procedural changes for all State agencies in the procurement of materials, supplies, equipment and services. Copies of the Bulletin have been sent to campus business officers directly by the Department of Audit and Control.

--In accordance with revised Board of Trustees' policy (Resolution 80-275, adopted November 25, 1980), the Chancellor has now authorized the presidents and chief business officers at the State-operated campuses to execute contracts for goods and services of $5,000 or less in value, under terms and conditions established by the Vice Chancellor for Finance and Business.

*Contracts in excess of $5,000 in value, revenue contracts and contracts in which there is a consideration other than money on the State's part must continue to be processed and approved in accordance with procedures under §112 of the State Finance Law. (See Memorandum to Presidents, Vol. 74, No. 25 (June 27, 1974); Procedures Manual, Item No. 310 (revised January 30, 1981).)
Memorandum to Presidents
March 23, 1981

--To assist campus officers and permit essential coordination within the University, a copy of any proposed contract for goods and services of $5,000 or less in value should continue to be sent by the campus to the Office of the Vice Chancellor for Finance and Business. Copies will thereafter be forwarded to University Counsel and other Central Administration offices as may be appropriate. After the receipt of recommendations regarding the terms of the proposed contract, the campus officer or officers may execute the contract on behalf of the University. Although external approvals of such contracts are no longer required, all transactions remain subject to purchase order and voucher payment procedures.

It is anticipated that a new State University Procedures Manual Item on this subject (Item 310.1) will be issued in the near future providing additional detail. Questions may be directed to Randy Symanski, Acting University Administrator for Business Services, at (518) 473-4276, or Lonnie D. Clar, Associate Counsel, at (518) 473-7591.

Harry K. Spindler
Sanford H. Levine

cc: Chief Business Officers, State-operated Campuses

This memorandum addressed to:
Presidents, State-operated Campuses

Copies for information only sent to:
Presidents, Community Colleges
Deans, Statutory Colleges
President Neville
Vice Provost Spencer