



TO: Faculty & Staff
Kentucky State University

FROM: Dr. Wendy D. Dixie
Acting Vice President of Finance and Business Affairs

DATE: July 18, 2023

RE: Compliance with Procurement and Budget Policies and Procedures

As we have opened the new fiscal year, the success of Kentucky State University greatly relies on our responsible and prudent financial planning as well as strict adherence to our University's procurement policies. It is crucial to remind all individuals involved in any part of their department/grant budget management or procurement process about their responsibilities.

Procurement

As you know, Kentucky State University (KSU) has approved procurement policies and guidelines to ensure transparency, fairness, and efficiency in all procurement activities. These policies are in place to protect the organization's interests, comply with laws and regulations, and promote responsible use of resources. Unfortunately, there have been instances where our procurement policies were not followed, leading to deviations from established procedures and compromising the integrity of our procurement processes.

Compliance with our procurement policies is mandatory for all KSU employees and any individual involved in any aspect of the procurement process, including purchasing goods, services, or entering into contracts on behalf of KSU. Failure to comply with these policies may result in disciplinary actions, including termination.

To ensure compliance, the following actions are required from everyone involved:

- Familiarize yourself with the KSU's procurement policies, guidelines, and procedures. These documents are available on Purchasing's webpage and can be accessed [here](#)). Please consult them whenever engaging in any procurement activity.
- Seek appropriate approvals and follow the designated procurement channels as outlined in the policies. Obtain necessary authorizations before initiating any purchasing process or entering into contractual agreements.
- Maintain accurate and comprehensive procurement records. Properly record and store all relevant documentation, such as purchase orders, invoices, contracts, and vendor information, according to our record-keeping procedures.

If you suspect any violations of our procurement policies, please report them promptly to the Procurement Department or the "Tell It" Hotline (1-855-203-6657 or www.securityvoice.com/reports).

Department/Grant Budget

Given enrollment numbers have a significant impact on various aspects of our educational and general (E & G) budget, including staffing, resources, and operational costs, and considering the current uncertainty surrounding enrollment numbers, only the first quarter of majority of the E & G departmental budgets will be allocated; there will be an exception for certain mission critical areas. Some other E & G areas will receive an even smaller portion of the FY2024 budget and will be required to submit and get approved a spending plan before any funds will be allocated. If this applies to your area, you will be notified. This approach will enable us to make more accurate projections and allocate resources in a more efficient manner.

Implementing this measure will ensure that our financial decisions align with the actual needs of the institution, preventing any potential overspending or underutilization of resources. Furthermore, it will enable us to be agile in adapting to changing circumstances and optimizing our financial planning throughout the fiscal year.

We understand that this may require some modifications to our standard budgeting procedures. However, we firmly believe that adopting this approach will ultimately contribute to the long-term financial stability and success of our institution.

While grant budgets will be fully allocated at 100%, it is crucial to emphasize the need for careful management to avoid exceeding these budgets and to consider the timeliness of how their drawdowns impact the University.

The Banner system will be available on **July 22, 2023** to begin the requisition process. Prior to gaining access to the Banner system, requisition approvers, requisition creators and budget managers will be required to attend in person procurement and budget training as well as acknowledge their understanding and adherence to the policies and procedures. To sign up for a training session, please click the link below:

[Register for Purchasing and Budget Training](#)

Thank you for your attention to this matter, and we trust that we can rely on your full cooperation in ensuring strict adherence to our procurement policies and budget management procedures, as well as all University policies and procedures which can be found at www.kysu.edu/policies.