



RUTGERS

Discretionary Spending

Approver Guide

November 2020



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Message from the CFO

We have suffered enormous losses [as a result of the COVID-19 pandemic], but our goals for excellence, access, and affordability are as important as ever, and we will press forward to realize our mission despite this turmoil.

We must remain singularly focused on our mission and come together as responsible stewards of university resources... [to] move the university into a more financially stable position in the coming years.

Exercising good judgment and following the newly released discretionary spending guidance... will require a strategic shift in mindset around purchasing decisions by everyone and will lead to better ways to manage spending and realize savings without sacrificing quality or timeliness of goods and services that are truly needed.

I ask for your support of financial leaders and their staff in the Chancellor-led units and in the central administration units; these people will have to make difficult decisions to ensure that we save for our future together. . . .



J. Michael Gower
Executive Vice President and
Chief Financial Officer

RU Marketplace Requisition Review, Approval, and Escalation

Requisitions that meet ALL FOUR conditions below are routed to the discretionary spending approver for the assigned UDO after the department approver approves

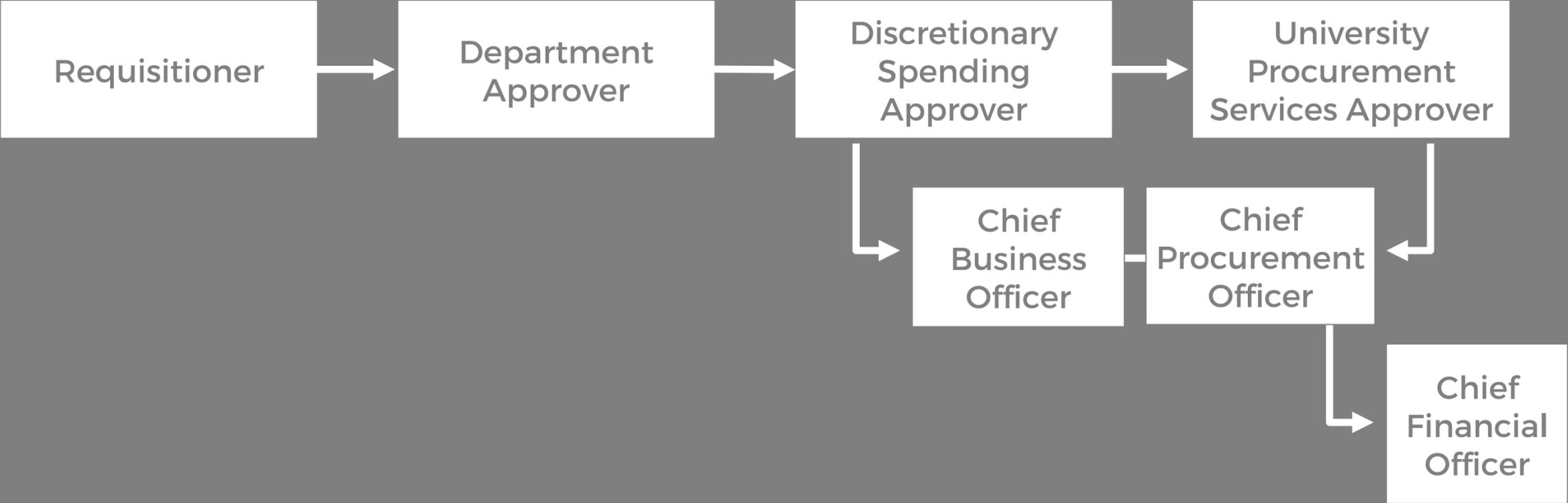
1. Is Natural Account code 5, 6, 7 (expense and internal purchase order account)
2. Is not Project code 5, 6, 7, 8 (endowment, grant, gift, capital project)
3. Is not Fund Type 360 (educational opportunity fund)
4. Is \$5,000 and above

Primary Responsibilities:

- Evaluate if the purchase is necessary, appropriate and reasonable
- Validate universitywide policy approval requirements, such as travel and hiring
- Discuss the purchase with department approvers before approval, if necessary
- Discuss and escalate the purchase to Chief Business Officer, if necessary
- Challenge invoice before purchase order requisitions

Requisition Escalation Procedure

High Level Escalation Flow

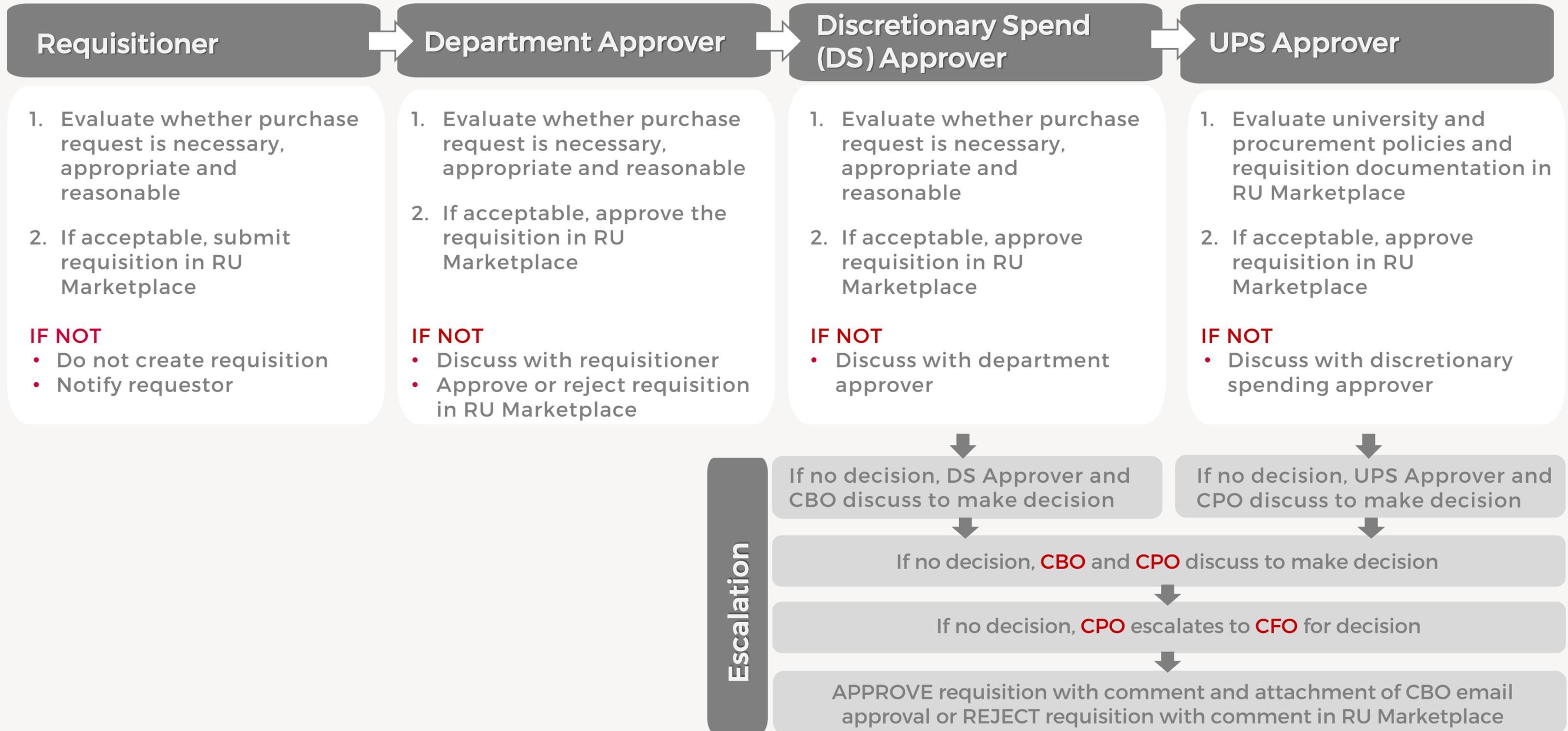


Discretionary Spending Necessary, Appropriate and Reasonable Evaluation at Every Step in Process



University and Procurement Policy Validation

Requisition Escalation Procedure



Talking Points

- Rutgers University is implementing spending controls to reduce the budget gap and return to a more financially stable position in years to come.
- President Holloway, the Chief Financial Officer, Cabinet, Chancellors and Vice Chancellors, Administrative Council, and university senior leaders support this approach.
- All departments, faculty, and staff must shift mindset and exercise sound judgment with a continuous commitment to fiscally responsible spending.
- Discipline applies to purchases from all funding sources. We are not saying, “Do not spend.” We are asking to spend wisely.
- Discretionary Spending approvers perform additional due diligence to ensure purchases are necessary, appropriate, and reasonable.
- Securing the lowest price is important. Also consider shipping, customer support, product quality, warranty, delivery time, return policy, contract-level rebate, and discounts.
- Continuous monitoring and availability of spending reports are in place to review with senior leaders universitywide.

Support and Resources

- University Procurement Services Website
 - Procurement policy, universitywide contracted suppliers by commodity
 - <https://procurementservices.rutgers.edu/>
- Discretionary Spending Resources
 - Guidance document, saving tips, FAQs, “How RU Saving?” stories
 - <https://procurementservices.rutgers.edu/discretionary-spend-policies>
- Monthly Communication
 - Procurement Services newsletter
 - Discretionary spending approver communication
- Direct access to the UPS Help Desk lead for RU Marketplace questions
 - Patti Perrone from University Procurement Services
 - rusaving@rutgers.edu
- DS Approver team meeting
 - Process improvement, recommendations, saving tips, success stories, announcements, etc.
- Escalation procedure to CBO, CPO and CFO
 - Strong support from leadership to control spend

University Procurement Services Contacts



Nimish Patel
Associate Vice President, and
Chief Procurement Officer



Allen Kong
Director,
Procurement Services



Wes Coleman
Associate Director,
Procurement Services



Patti Perrone
Training Coordinator,
Procurement Services