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|  <p style="text-align: center;">STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES</p> <p style="text-align: center;">Policy and Procedure</p> | POLICY AND PROCEDURE NUMBER 10.01.022 | PAGE 1 of 4 |
| | EFFECTIVE DATE March 8, 2013 | |
| SUBJECT Unauthorized Expenditures/Purchases | | SUPERSEDES 10.01.022 |
| | | DATED January 10, 2010 |
| CHAPTER Procurement and Property | SECTION General Procurement | APPROVED BY Signature on File |

PURPOSE

This formalizes the policy and procedure of the department on purchases of items usually considered “nonessential” or “personal use”.

POLICY

It shall be the policy of this department to abide by the requirements of the State Administrative Manual (AAM 35.140 - Unauthorized Expenditures) to prohibit the purchase of items generally considered “nonessential” to the necessary performance of state duties or for “personal use”.

The commissioner may approve the purchase of items generally considered nonessential or personal use in nature when it is determined that the purchase is in the public good. The authority to approve unauthorized expenditures is delegated to the DOT&PF Administrative Services Division (ASD) director.

The following categories are generally considered “nonessential” or “personal use” items and are not authorized for purchase without the prior approval of the DOT&PF ASD director. Items listed as “exceptions” may be approved in writing by the appropriate director through a memo to the file justifying the exception.¹

Printing of a Personal Nature: Such as personal letterhead stationery, holiday cards, or personal photographs.

Exceptions:

- Costs associated with the department’s employee calendar program as approved by the director of the Administrative Services Division.

Nonessential Office Fixtures and Equipment: Such as, radios, personalized items, occasional furniture, wall pictures (or framing of same), pen and pencil desk sets, etc.

¹ In this P&P, director includes deputy commissioners, regional and headquarters directors, international airport director or manager and Alaska Marine Highway System general manager

Exceptions:

- Certificates of Appreciation for 25 years or more of state service may be framed using public funds but shall not exceed \$25 per frame.
- Retirement plaques (or Gold Pans) for employees with more than 20 years of services and that do not exceed a per item cost of \$200. Retirement plaques for employees with less than 20 years of state service may be approved if the employee is departing for medical reasons or has a record of outstanding service to the department.
- Appliances, equipment (including exercise), and furnishings for 24 hour facilities.
- Replacement appliances for employee lunch/break rooms.
- Coffee pots where the primary purpose is for public meetings (not for internal employee use).
- TV/VCR/DVD units required for training purposes.
- The purchase of rugs, draperies, plants, and planters for state owned buildings may be approved by the chief of public facilities if they are appropriate for public building decor and funds are available. Purchase of these items without prior approval is prohibited. (For state-leased office spaces, the Department of Administration makes this determination).

Foodstuffs and utensils: Such as coffee, coffee makers, soda, sandwiches, doughnuts, cakes, muffins, cups, silverware, etc.

Exceptions:

- Bottled water in remote areas where potable water is not readily available.
- Food/meals for employees working in remote areas where commercial food distribution is not available (employees on per diem shall adjust TA's appropriately).
- Coffee, tea, cups, and other related supplies for meetings hosted for the public and/or other agencies (not internal departmental meetings) and not to exceed a reasonable amount.
- Working breakfast, lunches, dinners, and break refreshments for functions such as training, conferences, board meetings, when it is deemed necessary, in the public interest, and does not exceed a reasonable amount (employees on per diem shall adjust TA's appropriately).
- Items and expenses associated with hosting conferences.

The purchase of items required for AMHS crews or passengers that are necessary and an integral part of a departmental function, are exempt under this category and do not require approval.

Membership Dues: See P&P 02.01.040 *Department Paid Memberships in Professional Organizations.*

Exceptions:

- None.

Clothing: Personal clothing purchases are not allowed. However; authorized personal protective clothing and equipment (PPE) may be purchased in accordance with Attachment "A" without further approval.

Exceptions:

- Uniforms where specifically required by department policy and procedure and approved in advance by the appropriate director.
- Items specifically required by labor agreements.

Other: Items that cannot be justified as essential in the administration or conduct of a state office or program may not be purchased.

Exceptions:

- Holiday decorations and associated items for public displays such as at airports and on AMHS vessels (including items and expenses associated with AMHS Santa Claus Sailings).
- Pens, hats, rulers, key chains, and similar items for distribution at fairs, conferences, or for wellness or safety programs.

PROCEDURE

All items that require the review and approval of the DOT&PF ASD director must be done on a stock request with a cover memo explaining the items to be purchased, the purpose for which they are to be used, and the justification for their purchase. The director must concur in writing with the request before it is forwarded to the DOT&PF ASD director.

Examples of those items (not all inclusive) that require the approval of the DOT&PF ASD director are:

- Clothing or protective items that are not covered under a union agreement or Attachment "A".
- Items not covered by "exception" or where the "exception" dollar limit thresholds are exceeded.

The DOT&PF ASD director will:

- 1) If the request is approved, endorse the cover memo and return it to the requester for purchase action. A copy of the approval memo must be retained in the procurement file.
- 2) If the request is not approved, return the Stock Request and cover memo to the requester marked "Not Approved".

GENERAL EXCEPTIONS:

A. International Airports

It is determined that, in special situations where it is in the public's interest to sponsor food, non-alcoholic beverages and other small amenities as part of a comprehensive marketing and public relations effort for the Ted Stevens Anchorage International Airport and the Fairbanks International Airport may be approved by the airport director when they are for:

- Public relations events sponsored by the airports.
- Ceremonies sponsored by the airports.
- Business functions with airlines and airport business meetings to which an airport employee is required to attend as a representative of the airport.
- Committee meetings such as the Airport Affairs Committee (AAC) and the Marketing Advisory Committee (MAC).
- Purchase and presentation of small gifts or promotional items (per item cost up to \$100) to airline companies which do business with either of the International Airports.

All purchases of the above items require the review and written approval by the airport director before the expenditure to ensure they are at a reasonable cost, for public purpose, and essential for the administration or conduct of their program. If a planned expenditure may give the appearance that the airport director is a significant beneficiary, the item must be approved in advance by the DOT&PF ASD director.

ATTACHMENT A:

Authorized Personal Protective Clothing and Equipment (PPE)

AUTHORITY

Alaska Administrative Manual AAM 35.140

IMPLEMENTATION RESPONSIBILITY

Deputy commissioners, regional and headquarters directors, international airport director or manager and Alaska Marine Highway System, general manager

DISTRIBUTION

All department employees via the DOT&PF website