



OFFICE OF THE
UTAH STATE AUDITOR

Comment Period: In an effort to make our publications accurate and useful to our intended audience, we invite individuals who work for and with local government entities to read this draft and provide comment. The comment period will last 15 days. Comments should be submitted to Jeremy Walker at jeremywalker@utah.gov by November 7, 2016.

Auditor Alert 2016-07 Draft

Date: October 24, 2016

Subject: Public Funds Should Not Be Used For Personal Purchases

The Office of the State Auditor (Office) has recently investigated or been advised of instances where public officials (including employees) have used public funds for personal purchases. Public funds should never be used for personal purchases. This practice creates unnecessary risks and burdens for the entity such as:

- The purchase not being reimbursed, either intentionally or unintentionally;
- The entity must track purchases and seek reimbursement;
- The entity's tax exempt status may be inappropriately applied to personal purchases.

Instances where public funds have been used for personal purchases include paying for a spouse's airline ticket, hotel room upgrade for personal reasons, or refueling a personal vehicle. Other instances may include an employee purchasing personal items as part of a larger purchase at a store or restaurant, purportedly with the intent of reimbursing the entity.

Also, a governmental entity should never directly pay personal bills (credit card, cell phone, etc.) for its employees and officers.

Government entities should adopt comprehensive purchasing policies and clearly communicate that under no circumstances should public funds be used for personal purchases.