



Sponsored Program Purchasing Policy

Policy Number: 600-021
Effective Date: April 3, 2007
Last Updated: July 1, 2008¹
Issuing Authority: Vice President for Research and Compliance
Responsible Offices: Academic Departments and Materials Management Department

Purpose:

To acquire the goods and services necessary to conduct sponsored programs at Howard University and all related entities, business units, subsidiaries and affiliated organizations including, but not limited to, Howard University Hospital (hereinafter referred to collectively as "Howard University").

Policy:

All purchasing and procurement at Howard University is managed in accordance with the Materials Management Department's (MMD) Property and Equipment Management Policy. However, it is recognized that purchases related to sponsored programs may have additional requirements imposed by the sponsor. Howard University must ensure compliance with sponsored program requirements relative to purchase for sponsored programs. Moreover, in instances where Howard University policies differ from sponsor requirements, sponsor requirements prevail if they are more restrictive.

All Purchase Orders are issued by Howard University's Materials Management/Purchasing Department.

There are several primary mechanisms for making purchases for sponsored programs: Procurement cards (P-cards), Online Purchasing (using the Howard University PeopleSoft System)), , and Petty Cash.

Procurement cards (P-Cards)

The maximum monthly limit and the single transaction dollar limit for P-Cards are established by the Howard University Controller. Capital equipment may not be purchased with a P-card without prior approval from MMD.

Only Howard University full-time employees are authorized to have P-Cards. All recipients of Howard University P-Cards must attend a P-Card workshop before receiving their cards. No employee is issued a P-Card without first executing the receipt agreement. Only approved users are authorized to make purchases. All P-Card purchases are for Howard University business only, not for personal use. Purchasing cardholders are required to retain original receipts.

Online Purchasing (using PeopleSoft):

All procurement of supplies and materials must be requested online in PeopleSoft. Sponsored programs may have specific requirements or restrictions. For example, equipment for sponsored program activity generally should not be purchased in the last six months of the project. If the Principal

¹ Minor changes to enhance clarity, assure consistency with other policies or correct misspellings and other grammatical errors have been made after the initial approval date.

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Investigator/Program Director (PI/PD) determines that new equipment is necessary for the last six months of a sponsored program, the Office of Sponsored Program/Research Administration (OSP/RA) is contacted for approval. When contacted, OSP/RA reviews the terms and conditions of the award and may contact the sponsor for approval.

Request for Purchase Form:

Any purchases of radioactive materials/chemicals must be made using the *Request for Purchase*. The Principal Investigator/Program Director (PI/PD) is responsible for completing the *Request for Purchase Form* in its entirety and obtaining all required levels of approval.

Petty cash:

Small expenditures, such as supplies, materials, local travel, and stamps can be requested/purchased through the use of petty cash. The maximum disbursement of petty cash for individual persons is established by the Controller. The Petty Cash fund is the direct responsibility of the fund custodian to whom cash is issued. The custodian is the administrator, dean, department chair, or faculty member in charge of an office, project or department.

Business Process Description:

All purchases must be made in accordance with sponsor regulations, sponsored program terms and conditions, and applicable Howard University purchasing policies.

Purchase Card “P” card:

All P-Card users must be authorized by their supervisor and MMD to receive a P-Card for purchases to be charged to an authorized account.

The P-Card is used like any credit card with Howard University being billed for the charges. P-Card holders are required to retain in their files all original receipts for purchases made with the P-Card. These receipts are subject to spot checks or audits by MMD, Internal Audit or other University officials. All expenses charged to sponsored awards, whether made through P-Cards or other means, must conform to the sponsor’s guidelines and the terms and conditions of the award, and must be allowable, reasonable, allocable and conform consistently to applicable cost principles. (See the Direct and Indirect Cost Charging Policy.)

Online purchasing (using PeopleSoft):

The PI/PD is responsible for completing the online purchase request in PeopleSoft its entirety and obtaining required approvals. This includes:

- A detailed description of the commodities being purchased
- Quantity
- Estimated cost
- Account number
- Expense code (if funds are not available in the proper expense code, a budget transfer is required to place funds into the proper code)
- Complete delivery address
- Suggested vendors

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In the event that there is only one vendor that can provide the goods or services requested by the PI/PD, a sole source justification for procurement of goods or services is required. In the event that there is more than one source that sells the goods or services, yet the PI/PD negotiated a preferential price with a particular vendor, then justification is needed indicating why it is in the best interest of the University to use the specific source indicated in the purchase request.

When the terms and conditions of the agreement require advance approval from the sponsor (large items of equipment almost invariably require such prior approval), the Office of Sponsored Programs/Post Award Services Unit OSP/PASU can assist in obtaining that approval, but it is the PI/PD's responsibility to initiate the request. Howard University does not commit to the purchase until the requisite sponsor approval is received.

After the online purchase request is submitted, and reviewed for both appropriateness and the availability of funds, the Materials Management processes the request (e.g., to solicit bids, select vendors, determine terms, conditions, price and to ascertain delivery date). MMD issues the Purchase Order.

Request for Purchase Form:

The *Request for Purchase Form* is used for the purchase for **radioactive materials/chemicals** and is submitted to the Radiation Committee for approval prior to purchase. Such requests must also contain justification for the unique specifications of the items or vendor, why the particular vendor is required, and the rationale for not using other similar items or sources.

Petty Cash Form:

To establish or increase a petty cash fund, the department completes a four-part *Petty Cash Request Form*. For petty cash funds in excess of the established limit, the department submits a memorandum justifying the amount. The department retains the department copy and submits the remaining copies to Accounts Payable. If the petty cash request is rejected, Accounts Payable notifies the department head with an explanation for the rejection.

Roles and Responsibilities:

Academic Department

- **P-Card holder:** The P-Card holder is responsible for the protection, use, and reporting of transactions related to a specific P-Card on a sponsored program. The P-card holder retains original receipts for all purchases made with the P-card. In addition, the P-Card holder must identify any equipment purchases using a P-card so that the equipment can be tagged and properly accounted for. The P-Card holder is the only individual allowed to use the assigned P-Card.
- **Principal Investigator (PI/PD):** PI/PD's are responsible for submitting the online purchase requests using the financial system, except for purchases of radioactive material/chemicals, which should be requested by completing the *Request for Purchases Form*.

Accounts Payable Department:

- **Accounts Payable Department:** The Accounts Payable Department is responsible for payment of vendor invoices and petty cash requests.

Materials Management Department (MMD):



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- **Materials Management Department:** The MMD accepts and approves the P-Card applications and issues P-Cards.

Office of Sponsored Programs / Post Award Services Unit (OSP/PASU):

- **OSP/PASU:** OSP/PASU assists in obtaining approval when the terms and conditions of the agreement require advance approval from the sponsor (large items of equipment almost invariably require such prior approval).

Office of Sponsored Programs/Research Administration

- **Research Administrator (RA):** The RA contacts the sponsor for any purchase requiring prior approval from the sponsor. In the event that the PI/PD determines that an equipment purchase is necessary during the last six months of the sponsored program activity, the RA reviews the terms and conditions of the award and, if necessary, contacts the sponsor for approval.

Related Processes/Events:

- [Direct & Indirect Charging Policy](#)
- [Prior Approval Policy](#)

Forms and Links:

- OVPRC Website <http://ovprc.howard.edu>
- Materials Management Department Website: www.howard.edu
- Request for Purchase Form
- Petty Cash Request Form