

After the Fact purchases

In order for a unit to procure goods/services over \$5000 from a vendor, the vendor must have a purchase order in hand. Failure to obtain the purchase order prior to committing to buy goods/services results in an After the Fact (ATF) purchase.

When an ATF occurs, the responsible unit must investigate and write an explanation to the Vice Chancellor for Budget and Finance. This memorandum must explain how the charge was incurred and include a description of the goods/service, a dollar amount, how the vendor was chosen, an assessment of whether the rates were fair and reasonable, a confirmation of resources available to pay the ATF, controls in place to combat future infractions, etc.

The Vice Chancellor must then prepare a memorandum approval request to submit to the State Controller's Office and copied to the President or Chancellor and the Procurement Service Center.

If the ATF is approved, the unit processes a Purchase Order Requisition in the finance system. The Procurement Service Center then issues a Purchase Order. Up until that time, the vendor receives no payment.

If the ATF is not approved, the individual responsible for ordering the goods/service is obligated to pay for the purchase personally. The University may not reimburse the individual. The only other course of action is to return the goods, explaining that the University is under no obligation to pay for them. Unfortunately, a service cannot be returned.

Please remember to plan purchases as far in advance as possible. There are several steps to procuring a purchase order and the process can be lengthy.