Marcus Institute for Aging Research
Hebrew SeniorLife

HARVARD MEDICAL SCHOOL AFFILIATE

3 Purchasing & Accounts Payable Policy & Procedures

Institutional Policy

Title:	3 Purchasing & Accounts Payable Policy & Procedures
Responsible Officer:	Grant Assistant, Vice President Research Administration
Effective Date:	1/31/2019
Revised Date:	10/1/2020
Renewed Date:	10/1/2021
Approved By:	Kathryn Tasker

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1 Purpose

The purpose of this document is to outline the policies, internal procedures, and the routing necessary to obtain approvals required for purchasing goods and services from an outside Vendor.

2 Scope

These policies and procedures apply to all Purchase Orders (POs) and payable invoices.

3 Definitions

New Vendor: A vendor which is identified as never having been within the HSL system (Meditech).

AP: Accounts Payable.

P-Card: A center credit card which is held and used by the center, but which is administered, reconciled and paid directly through Purchasing and Research Administration, respectively.

PO: Purchase Order

4 Policy Statement

In order to centralize the process and minimize errors with account numbers, budgets, and timing of grants, approval on all Purchase Requisitions and Payable Invoices will come from Research Administration.

Purchases which are non-compliant with the procedures outlined below will be moved to a discretionary account. Reimbursement requests which are non-compliant with the below policies and procedures below may not be processed, even when charging a discretionary account.

5 Procedures

5.1 Vendor Authorization

When a vendor has been identified as never having been entered into the HSL system (Meditech), Research Administration will take the following steps to identify the vendor as new and certify that the vendor is approved for use as directed by NIH policy. All vendors must be pre-approved by Research Administration before goods or services are purchased.

a. Prior to using services from a new vendor, the staff member must inform Research Administration of his/her intention to use the services of this vendor via written communication, such as an email with the vendor's name, address and other relevant identifying information or a service agreement
b. The Grant Assistant must certify that the vendor is not excluded from providing services by using the vendor authorization website as directed by the NIH policy (subject to change by NIH standards, currently System for Award Management "SAM" https://www.sam.gov/portal/public/SAM). Though authorization is not mandated for payments to vendors from non-federal accounts, we will extend this practice to all vendors.

c. The first payment invoice is marked as an HSL "New Vendor."
d. No invoice can be processed for payment until the vendor is approved through this process.
e. The vendor is considered approved to perform services if:
    i. The vendor and/or parent company (if applicable) details are registered and appear in the search database with no active exclusions listed;
    ii. The vendor and/or parent company is not registered and does not appear in the current or historical (archive) exclusions search database, indicating that there is not a current exclusion on services; and
    iii. The vendor and/or parent company appear in the search database with a historical exclusion that has expired, and the vendor is currently considered an actively approved vendor.
f. Research Administration/AP provides proof of authorization and saves in file
g. Any vendor that does not meet the above requirements in section 5.1e and/or appears in the NIH approved database with a current exclusion cannot be authorized to receive payment for services or goods.
h. If an employee follows through with services from a barred vendor prior to gaining approval from Research Administration, the expense cannot be charged to any HSL account.
i. If a vendor requires a signed contract prior to completing services and invoicing, the contract must be approved by general counsel before signing. The contract should be sent upon receipt to the Grant Manager, who will walk it through the proper channels for review and approval. The process could take approximately one month.
j. The first invoice submitted to fiscal for payment for a new vendor must include the vendor's signed and completed W9 (or W8 for foreign vendors) as well as the New Vendor Request Form found here: https://www.marcusinstituteforaging.org/resources/research-administration/finance-policies-forms.

5.2 Payment Approval

All accounts payable are required to have payment approval signatures. When a payable invoice is received, it will be routed through the following channels for approval:

a. The invoice/Purchase Order form must be signed by an authorized account signatory as justification that the funds accurately reflect the work/services being charged and are applicable to the account specified;
b. The invoice/purchase request form must be signed by the Grant Manager as justification that the funds are available and the expense is allowable, allocable and reasonable; and

c. If an invoice/Purchase Order is payable in the amount of $2,000.00 or more, a signature must be obtained from the Vice President of Research Administration.

5.3 Opening a Purchase Order

Supplies and equipment (see equipment policy) must be ordered through Purchasing. The Purchase Requisition form, completed with signatures as per section 5.1 Vendor Authorization, will be considered fully authorized. The steps of opening a PO are as follows (see separate staff instructions document):

1) The staff member will contact Purchasing or IT (if hardware or software) to obtain a quote and product number;
2) The Purchase Requisition form will be filled out and signed in accordance with the payment approval requirements as defined in section 5.1 of this policy;
3) Upon completion of required signatures, the purchase request form will be submitted to purchasing by Research Administration, where Meditech PO report will be accessed by Research Administration when processing the payment;
4) The staff member will inform the purchasing department when the order is received in order for the PO to be closed, with a cc to Research Administration and Grant Manager; if an order placed through IT, IT will close PO and pay final invoice with a copy to research administration. See Marcus Institute Staff Process for Opening a PO
5) The PO will be paid upon receiving a final invoice from the vendor and successful receipt of the product.

5.4 Bidding Policy

In accordance with HSL policy, any supplies or equipment with a cost of $3,500 or more must go through a bidding procedure before the purchase of the supplies or equipment is made in collaboration with the purchasing department.

1) The staff member must reach out to no less than three (3) vendors capable of providing the supplies/equipment;
2) The staff member must provide documentation of requested quotes from each vendor along with the PO documents;
3) In the instance where the supplies/equipment may only be purchased from a sole vendor due to compatibility or other similar conditions, the PO documents must also include a letter of explanation which states this condition.

5.5 Credit Card Procedure

For centers which have access to a center credit card, most purchases may be made using the card. Proper signatures must be obtained in advance of a credit card purchase. In cases where this is not possible, the staff member will need to find another way to purchase the item/service.

1) The staff member will fill out the Project Specific Credit Card Order Form found here: https://www.marcusinstituteforaging.org/resources/research-administration/finance-policies-forms
2) Staff member will acquire all signatures indicated and in this order: Center Director, Authorized Account Signatory, Grant Manager, and if $2,000.00 or more, the VP of Research Administration.
   - Prior to approval, Grant Manager will confirm with Grant Assistant that a copy of the SAM Vendor Authorization form is on file authorizing that the vendor is approved for use in accordance with the Vendor Authorization procedure outlined above in section 5.1.
3) If the employee requesting to use the center credit card is different from the card holder, they will need to present the completed and fully authorized credit card order form to the staff member holding the card.
4) The holder of the card will not release the card to the person requesting to make a payment unless all signatures are present on the form.
5) Once the purchase has been made, the itemized receipt along with the completed credit card order form must be submitted to the Research Administration within 24 hours of the purchase. The same rules and timeline apply if a refund has been received.
6) The following expenses are not allowable for purchase on the Center Credit Card without prior VP Research Administration approval:
   a. Travel related costs including food, hotel, airfare, and parking;
   b. Alcohol.
7) A Grant Manager must review and approve all of the final monthly credit card statements and related back-up prior to submission to HSL accounts payable.

6 Related Policies (Contact Research Administration for all Documents)

- System for Award Management "SAM" https://www.sam.gov/portal/public/SAM
- Account Signatory Policy