

JUSTIFICATION FORM FOR "AFTER THE FACT" PURCHASES
AND/OR LATE SUBMITTALS

Unauthorized financial commitments require that any requisition submitted "after-the-fact" must include a statement explaining and justifying the reason for the deviation in policy. This explanation is to be initiated by the department and signed by the purchaser, the purchaser's supervisor, and the department's Vice Chancellor.

JUSTIFICATION FORM FOR AFTER-THE-FACT PURCHASES AND LATE SUBMITTALS

Name of Purchaser: _____

Dept.: _____

Requisition No.: _____ Amount: _____

Attach necessary supporting documents, including but not limited to, requisition, invoice, sole source justification, Form 95, etc. The justification must address the following issues: 1) The circumstances surrounding the commitment to include funds availability, reason for delays and commitments made. 2) The reasons why proper procedures were not followed and why the violation occurred. 3) A description of the terms of the commitment, when it arose, when performance ended, how the pricing was negotiated and evaluated (if over \$2,500), and copies of any relevant correspondence, documents, invoices, e-mails, etc, if available, that define the terms of the commitment. 4) Whether all state and university procurement procedures were followed and whether all other required approvals were obtained and an affirmation that the prices are fair and reasonable (if over \$2,500). 5) What corrective action is planned or taken to improve internal controls and prevent a recurrence by the department/unit and the employees involved. 6) If similar violations have occurred in the past, please explain why the corrective actions taken have not prevented the problem from recurring. (Attach additional page if needed)

Purchaser Signature: _____ Date: _____

Purchaser's Supervisor: _____ Date: _____

Vice Chancellor Signature: _____ Date: _____

Fiscal Officer Signature: _____ Date: _____

_____ Approved _____ Not Approved

Unauthorized/After-the-Fact purchases are purchase transactions that are either entered into by an individual who is not authorized to contract on behalf of the University or who uses an unauthorized procurement method. UH Administrative Procedures Manual A8.225, 2. Unauthorized Purchases.

Unauthorized/After the Fact (ATF) and Late Justification Procedures:

The initiating department will investigate the situation and complete the Justification Form for After-The-Fact Purchases and Late Submittals explaining it to the Vice Chancellor and Fiscal Officer. The memo must address the following issues:

1. The circumstances surrounding the commitment to include: the unit and person or persons responsible, funds availability, reason for delays and commitments made.
2. The reasons why proper procedures were not followed and why the violation occurred.
3. A description of the terms of the commitment, when it arose, when performance ended, how the pricing was negotiated and evaluated (if over \$2,500), and copies of any relevant correspondence, documents, invoices, e-mails, etc, if available, that define the terms of the commitment.
4. Whether all state and university procurement procedures were followed and whether all other required approvals were obtained and an affirmation that the prices are fair and reasonable (if over \$2,500).
5. What corrective action is planned or taken to improve internal controls and prevent a recurrence by the department/unit and the employees involved.
6. If similar violations have occurred in the past, please explain why the corrective actions taken have not prevented the problem from recurring.

If the ATF is approved:

If the ATF is subsequently approved, the Business Office will process the attached requisition. The initiating department will then complete the Requisitioner's Copy in order to minimize further delay in paying the vendor. A Purchase Order will not be issued until the Justification Form for After-The-Fact Purchases has been approved.

If the ATF is **NOT** approved:

The purchaser will pay for the purchase personally without reimbursement from the University or, will return the purchased goods to the vendor, explaining that the University is under no obligation to pay for them as an official UH Purchase Order has not been issued.

APM 8.225, 2. Unauthorized Purchases:

Outside the OPRPM, a purchase may be initiated only by a person who has been properly delegated authority to enter into a contract for such purchase. Whenever an employee of the University procures or enters into a contract to procure goods, services or construction without such authorization or in violation of applicable law or established University policy, this procurement and the liability resulting there from shall not be honored by the University and the employee shall be personally liable for the cost. Although the personal purchase of goods, services and construction by a University employee and subsequent request for reimbursement are generally not permitted under University procurement procedures (with the exception of appropriate purchases through use of a properly issued University purchasing card), there are occasions when this method of acquisition may be considered appropriate, e.g., postage costs for urgent mail, copying costs for documents needed immediately. However, this method of acquisition should be used only for very small purchases which do not exceed an amount deemed reasonable by the fiscal officer and, if possible under the circumstances, when the fiscal officer has approved the purchase in advance. All purchases, regardless of the source of funds, are to be handled in accordance with established University policies and procedures.