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PSC Procedural Statement: After-the-Fact Purchases [1]

Effective Date: July 1, 2017

Introduction

This PSC Procedural Statement sets forth university requirements for the identification, notification, and processing of After-the-Fact purchases.

An After-the-Fact (ATF) purchase occurs when an organizational unit makes a commitment over $10,000 before the Procurement Service Center (PSC) issues a purchase order. For example, authorizing a supplier to begin work before the PSC issues a purchase order – even though the organizational unit has submitted a requisition – is an ATF. Similarly, obtaining goods or services on credit and subsequently submitting the invoice with a Payment Authorization form or Payment Voucher form is an ATF unless those items can specifically be paid by Payment Authorization or Payment Voucher.

An ATF is the personal obligation of the individual who ordered the goods or services and incurred that obligation unless the ATF is reviewed and approved in accordance with the terms of this procedural statement..

Procedural Statement

An ATF must be approved in order for the University to process the supplier's invoice.

A. Identification and Notification of After-the-Fact Purchases

ATFs may be identified by the initiating organizational unit or by the PSC. When an ATF is identified by the PSC, the PSC notifies the organizational unit, copying the appropriate Vice Chancellor for Finance or her/his delegate.
The organizational unit must investigate and explain the ATF by completing and submitting the After the Fact form as a requisition in the CU Marketplace. For assistance developing the information that must be included in the After the Fact form, refer to the campus contact listed at the end of this procedural statement. The form requires the following information:

- Description of the ATF
- Explanation of why the ATF arose before the purchase was authorized
- Evaluation of pricing
- Confirmation that the organizational unit has the available resources to pay for the ATF
- Description of preventive steps

B. Processing of After-the-Fact Purchases

Review and approval of the After the Fact form is accomplished in the CU Marketplace. ATFs

of $50,000 or less must be approved by the appropriate Vice Chancellor (or her/his delegate). ATFs over $50,000 must be approved by the Associate Vice President/University Controller in addition to the appropriate Vice Chancellor/delegate.
All supplier inquiries must be handled by the initiating organizational unit. Supplier inquiries will be handled by the PSC only after completion of the ATF process and then only if the ATF is approved.

If the ATF is approved:
The After the Fact requisition will be processed by the PSC into a purchase order.

If the ATF is not approved:
The individual(s) responsible for ordering the goods or services and incurring the unauthorized obligation must either:
a. pay for the purchase personally, without reimbursement from the University; or,
b. return the purchased goods to the supplier, explaining that the University is under no obligation to pay for them.

Exceptions

There are no exceptions to this procedural statement.

Related Information

Related Administrative Policy Statements (APS), PSC Procedural Statements (PPS), and Other Policies and Procedures

University of Colorado Procurement Rules [2]

PPS Payment Voucher/Authorization [3]

Groups audience:
Procurement Service Center
Right Sidebar:
PSC - After-the-Fact Purchases

Source URL:https://www.cu.edu/psc/procedures/after-fact-purchases

Links
[1] https://www.cu.edu/psc/procedures/after-fact-purchases [2] https://www.cu.edu/psc/policies/procurement-rules [3] https://www.cu.edu/psc/policies/psc-procedural-statement-payment-voucher-authorization