

## Review Request for Goods, Services, or Payment

**Effective Date:** July 24, 2017  
**Function:** Procurement/AP  
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### Basis for Procedure

The RF has elected to accept the grace period for implementing the new procurement standards in the OMB Uniform Guidance as codified in 2 CFR Part 200. This policy is in compliance with OMB Circular A-110. The new procurement standards will be implemented by the RF to be effective on July 1, 2018.

### Procedure Summary

This document should be used when reviewing

- a request for goods or services when the request is submitted on a purchase requisition or through the online Purchasing module, or
- a payment request when an alternate payment method has been used.  
The same basic principles apply in both situations.

### Procedure

#### When the Review Takes Place

Operating locations can decide when the compliance review takes place. For example, the review could be conducted at the requisition stage or at the payment stage.

For purchases made using alternate payment methods (e.g., petty cash, out-of-pocket reimbursements), the review will take place after the purchase and payment has been made. The purchase may be disallowed if the review determines that the purchase violated any federal, sponsor, or Research Foundation (RF) regulations.

#### Review Process

The review process will vary depending on the type of purchase/expenditure and the amount of the requisition/expenditure, and whether the requisition is submitted on a form or through the online Purchasing module. Operating locations may include additional location-specific requirements (e.g., multiple levels of review).

If the requisition is approved in the Oracle purchasing module, the review must take place prior to the approval online. The funds are not encumbered until the requisition is approved through the Purchasing module.

#### Review Criteria

In general, a requisition or expenditure should be reviewed for

- Vendor selection (when applicable), and
  - Additional requirements based on the type of expenditure/payment.
  - Minimum corporate criteria
  - Bid requirements
- Each item is described in the blocks that follow.

### **Failure to Comply**

If at any point the purchase/expenditure fails to conform to a regulation or requirement, the office conducting the review can either return the purchase requisition/expenditure to the project director with an explanation or contact the project director directly.

### **Minimum Corporate Criteria**

The Research Foundation has established minimum corporate criteria for purchasing and payment that consists of the following:

- A review to ensure that expenditures recorded on project/task/award (PTA) are necessary and meet the basic cost considerations (refer to the following block for more information on the basis for this requirement);
- A review to ensure the expenditure was charged to the appropriate project, task, award, expenditure type, and organization;
- Purchasing and payment records that include sufficient and relevant documentation;
- Project director's approval of the requisition or payment;
- Receipt of the goods or services; and
- An invoice or receipt for each expenditure.

### **Basis for Expenditure Review**

The requirement to review purchases to ensure that they are necessary and meet the basic cost considerations comes from the following:

- OMB Circular A-110
- OMB Circular A-21
- Sponsor Guidelines

### **OMB A-110**

[OMB Circular A-110](#) states that recipients of federally sponsored awards should avoid purchasing unnecessary items. Thus, operating locations are responsible for

- Ensuring that a written policy is established to avoid procuring unnecessary items, and
- Notifying project directors of this policy and appropriately training them.

### **OMB A-21**

According to OMB Circular A-21, costs charged directly to a federally sponsored project must

- Meet the definition of direct cost;
- Meet the basic cost considerations: reasonable, allocable, consistent, and allowable (Section C of A-21); and
- Be specifically identified with a project.

Refer to [Determining Direct and Facilities & Administration \(F&A\) Costs](#) for more information on direct costs and cost considerations.

Section J of OMB Circular A-21 provides principles and definitions that must be applied when establishing the allowability of certain items. Refer to [A-21 Excerpts - Unallowable Costs](#) for a list of unallowable items.

### **Sponsor Guidelines**

Purchase requisitions or payment documentation should be checked against sponsor guidelines and the specific terms of award documents to ensure that the expenditure is allowable and that charges are the result of obligations incurred during the funding period (or approved pre-award period).

### **Purchases Made During the Last Month of the Award**

Sponsoring agencies frequently question, and sometimes disallow, expenditures made near the close of a grant or contract period, and may disallow purchases made after the

termination date. This is especially true if the grant or contract will not be renewed or extended and the items cannot be received prior to the termination date or shown to have benefited the grant or contract.

If, in the judgment of the appropriate operating location office, a purchase cannot be successfully completed prior to the termination date of a grant or contract, the business office should either return the requisition to the project director with an explanation or contact the project director to discuss the situation.

Note: Exceptions may be made in certain situations (e.g., the printing of a final report) if the cost is an allowable charge according to the award document.

### **Bid Requirements**

OMB Circular A-110 requires that procurement transactions be conducted in a manner to provide, to the maximum extent practical, open and free competition. Refer to [Procurement Policy](#) and [Solicitation Guidelines](#) for more information.

### **Vendor Selection**

A specific vendor or independent contractor may or may not be indicated on the purchase requisition. The following table indicates what must be done in each situation. Refer to [Selecting a Vendor or Independent Contractor Guidelines](#) for compliance requirements for the selection process.

<b>If a vendor or independent contractor...</b>	<b>then...</b>
is identified,	review the request to ensure that the requirements for vendor or independent contractor selection have been met.  Note: Vendor must be in the Supplier File if a purchase order is created in the Purchasing module. It is not necessary when entered a requisition online.
has not been chosen,	choose a vendor or independent contractor according to the compliance requirements.

### **Price and Cost Analysis**

When choosing a supplier, a cost and price analysis must be performed and documented for purchases of \$50,000 and more. Refer to [Selecting a Vendor or Independent Contractor Guidelines](#) for a detailed explanation.

### **Additional Information**

Certain types of expenditures have additional review and documentation requirements. The following table identifies the expenditure type and indicates where additional information on the topic can be found.

<b>information on...</b>	<b>refer to...</b>
miscellaneous income	<a href="#">Requirements for Miscellaneous Income Payments to U.S. Citizens and Resident Aliens</a>
independent contractors	<a href="#">Engaging Independent Contractors</a>
honoraria	<a href="#">Honoraria Policy</a>
use of RF-owned vehicles	<a href="#">Personal Use of Research Foundation Vehicles</a>
central stores and service centers	<a href="#">Campus Central Stores and Service Centers</a>

### **Definitions**

None.

## Related Information

[Determining Direct and Facilities & Administration \(F&A\) Costs](#)

[A-21 Excerpts - Unallowable Costs](#)

[Procurement Policy](#)

[Solicitation Guidelines](#)

[Selecting a Vendor or Independent Contractor Guidelines](#)

[Requirements for Miscellaneous Income Payments to U.S. Citizens and Resident Aliens](#)

[Honoraria Policy](#)

[Personal Use of Research Foundation Vehicles](#)

[Campus Central Stores and Service Centers](#)

## Forms

None.

## Change History

Date	Summary of Change
September 6, 2022	Updated link to Personal Use of Research Foundation Vehicles Procedure.
July 24, 2017	Updated to comply with procedure template

## Feedback

Was this document clear and easy to follow? Please send your feedback to [webfeedback@rfsuny.org](mailto:webfeedback@rfsuny.org).

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