Carnegie Mellon University
Sponsored Projects Accounting
(PA16) Federal Contract Purchase Orders > $5,000 approval – Procedures
Updated: September 30, 2007

Frequency: Daily
Responsible Staff: SPA Accountants
Approval Required: Manager / Assistant Manager, Post Award Accounting

Summary:
Purchase Orders are submitted to SPA daily by Carnegie Mellon departments for approval when charges >= $5,000 are being applied against a sponsored award. Sponsored Projects Accounting must review the award to verify:

1) charges are allowable
2) possession of title
3) available funds exist

Procedure:
1. PO’s requiring SPA approval are sent by Oracle to the on-line queue of the Director of Sponsored Projects Accounting as well as the Manager and Assistant Manager of Post Award Accounting.

2. Once the PO’s are received, the Assistant Manager forwards the PO to the SPA Accountant responsible for that particular award. The PO (Attachment PA-S) shows the expenditure type being charged, the award being charged, and the total purchase amount.

3. The SPA Accountant will review the award terms and conditions in order to do the following:
   a. Ensure the sponsored award allows the charges
   b. Determine who holds title to the property being acquired, if applicable
   c. Determine that the award has enough funds available to cover the expenses being incurred. If the charges are not allowable or there are not enough funds to cover the expenses, the department should be informed the PO is going to be rejected, unless a justification can be provided
   d. Determine if the purchase is being made within the last 90 days of the project period (federal and federal flow-through awards only) and if so, request justification from the department as to how the project will benefit from the purchase – SEE THE NOTE AT THE END OF THIS PROCEDURE.

4. The SPA Accountant will note on the purchase order APPROVE or REJECT, and whether or not CMU holds title to the property. The SPA Accountant will return the PO to the Assistant Manager to complete the described action in the system. If CMU does NOT hold title to the property, a copy of the PO should be forwarded to Property Accounting so that it can be accounted for properly.

5. The SPA Accountant scans and indexes the printed PO with approval/rejection notes into the Fortis document imaging system and discards the hard copy.

NOTE: Capital equipment may not be purchased within the final 90 days of an award’s period of performance if the source of funding is Federal without first providing a justification as to how the project will benefit from such a purchase. This also applies to sub-agreements issued under a Federal Prime Award. Such purchases are approved by SPA only after an adequate and
appropriate justification is received by the department. Awards issued for the purchase of capital equipment only are usually exempt from this requirement and purchases can be made up through the last day of the award period.

**Note:** The Manager of Post Award Accounting is the designated back-up for distributing and approving PO’s if the Assistant Manager is out of the office.
Carnegie Mellon

Sent 09-MAR-2005 15:36:33

Item PO Approval

Type Notification 1291087

To SOMMER, DEREK  Priority 50

Subject Standard Purchase Order 131727 for USD 8,640.00 requires your approval

Vendor Name: BROTHERS LAZER SERVICE

Standard Purchase Order 131727 for USD 8,640.00 requires your approval.

Standard Purchase Order 131727 Amount: USD 8,640.00
Description D.WILHELM 73GB DRIVE ORDER.

Forwarded From: MEISER, BETH A
Preparer: PIKULA, EDWARD

Forward To

Note

Approval Action [Approve] [Submit] [Reassign...]

Document Done