Harvard Crimson Online Marketplace (HCOM) Policy

Contents of Policy

- Policy Overview
- Harvard Crimson Online Marketplace (HCOM)
- HUIT’s HCOM Procurement Model
- HCOM Purchasing Responsibility
- HCOM Role Definition
  - Shopper Role
  - Approver Role/ Responsibilities
- Types of HCOM Request
  - Punchout Request
  - Catalog Request
  - Non-Catalog Request
  - Vendor Credits
- Role of HUIT Accounting and Finance

Policy Overview

The purpose of the HUIT HCOM Procurement Policy is to provide a uniform policy regarding the purchase and payment of goods and services throughout HUIT. This policy defines a set standard for organizational and individual conduct and provides best practices for purchasing across HUIT. Purchasing decisions are business decisions made on behalf of the University and therefore should be made with the utmost consideration for what is in the best interest of the University. Purchase decisions need to be made in the most cost effective manner. Following policy and procedure ensures that appropriate business processes occur when dealing with outside vendors.

Harvard Crimson Online Marketplace (HCOM)

The Harvard Crimson Online Marketplace (HCOM) is the procurement system by which all purchases are made throughout the University. HCOM is an Oracle web based procurement application designed for the Harvard Community offering a quick, easy, and cost effective way to shop for goods and services. HCOM provides a one-stop solution for purchasing and invoice payment where approval happens in advance of actual purchase and invoice payment. Harvard’s Strategic Procurement Department has established standard pricing with select vendors based on the purchase volume of the entire University community. Purchase requisition approvals are obtained electronically prior to the purchase of goods and services. The system enforces an automated approval hierarchy and creates an electronic audit trail.
HUIT’s HCOM Procurement Model

The HUIT procurement model is designed where each location is assigned a dedicated HCOM Shopper who is specially trained to receive and process Purchase Requests. The local shopper supports the needs of purchasers by location.

Each purchase requisition, created by a Shopper, must flow through a set of Approvers. Approvers are granted Purchase Authority based on management decision following certain HUIT guidelines. The Approval Hierarchy is determined by the dollar amount and the account coding of the transaction. HCOM transactions can go through several Approvers before receiving final approval.

Purchase requests should always be submitted to your local HCOM Shopper before an order is placed for goods or services. The Shopper will then create a requisition in HCOM which – once approved – creates a Purchase Order. This is known as a pre-commitment requisition which allows for review and pre-approval of the request before the funds are committed to the vendor.

To ensure consistent use of purchase orders and appropriate controls, after-the-fact purchase orders are not allowed. After-the-fact purchase orders are those defined as purchase orders created upon receipt of the invoice. HUIT policy requires a purchase order be created for all goods and services except those payments that are appropriate for processing via the Payment Request Method (see definition below). Purchase Orders should not be created at the time the invoice is received.

HCOM Purchasing Responsibility

The HUIT Finance Office grants purchase authority in HCOM based on role. Individuals with HCOM purchasing authority are accountable for ensuring that certain guidelines concerning the procurement of goods and services on behalf of the University are met:

- The purchase was made in the conduct of University business and is well documented for tracking purposes.
- Verify that sufficient funds are available (budgeted) to satisfy the commitment in current and future years.
- Engage in bidding or negotiation process to obtain best price/commitment possible from the vendor.
- The individual(s) managing the business activity are responsible for and must convey to the vendor the importance of receiving invoices which correctly identify work performed or goods received. In addition, the insistence of accurate information provides support documentation for analysis by outside independent auditors as required by Generally Accepted Accounting Principles.
- The goods and services have been received and are satisfactory.
- The amount of the invoice meets the agreed upon price.
- The expenditure has been charged to the proper account.
- The transaction is processed in a timely fashion.
- The purchase was made in accordance with applicable guidelines and regulations formulated by the federal government and other entities and conform to the Conflict of Interest Policy.

HCOM Role Definition

Shopper Role

The HUIT HCOM Shopper is the local resource and subject matter expert trained to procure goods and services in Oracle on behalf of purchase requestors. The HUIT Shopper prepares
purchase requisitions in HCOM. Purchase Requestors should present the Shopper with information contained in the HUIT HCOM Purchase Requisition Form: See link here. It is HUIT’s policy that no shopper can self-approve their own requisitions. A Financial Manager must approve transactions greater than $2,500.00 and the Accounting Manager (Dave Murphy) must approve all transactions. Shoppers should use the HCOM Coding and Approvers Information Sheet for information relating to who can approve which General Ledger codes.

Shoppers create requisitions and submit to designated Approver(s) for approval. Shoppers and Purchase Requestors should allow 24 hours for approval turnaround; therefore, submission of requisitions should be planned accordingly.

**HCOM Approver Role/Responsibilities**

The HUIT HCOM Approver authorizes HCOM purchase requisitions submitted by a local Shopper. Approvers can only approve up to their assigned thresholds and within their assigned budget or ORG. HUIT Finance has established specific Approval sequence and Approver thresholds based on role and budget. There can be multiple approvals required for a single requisition depending on the approval hierarchy. The Approval Hierarchy is a list of Approvers who must authorize a Requisition prior to the transaction being finalized. Approvers should approve requisitions within 24 hours of notification.

Approvers must ensure the following:
- That the transaction has a valid University purpose.
- Vendor was competitively bid (if appropriate.)
- Department funds are available (budgeted).
- Conflicts of interest have been considered.
- Purchase is compliant with applicable laws and regulations.
- 33 digit billing code is accurate.
- Delivery address is correct.
- HCOM Approval should be completed within 24 hours.

**Types of HCOM Request**

There are four basic shopping requests in HCOM:

**Punchout Request** - A select group of vendors in the Marketplace who have customized their shopping website and pricing for Harvard University. Shoppers connect to the vendor’s website from within the HCOM Marketplace. Orders are automatically transmitted electronically to the vendor after approval and invoices are received at Central Accounts Payable. Shoppers must receive their goods and services within HCOM in order for Central AP to match and pay the invoice.

**Catalog Request** - Catalog Vendors differ from Marketplace Vendors only in where the searchable lists of commodities are stored. Catalogs are stored internally within the HCOM Marketplace. Orders are automatically transmitted electronically to the vendor after approval and invoices are received at Central Accounts Payable. Shoppers must receive their goods and services within HCOM in order for Central AP to match and pay the invoice.

**Non-Catalog Request** - If a vendor is not available in the Marketplace (Punchout and Catalog), the requisition should be generated as a Non-Catalog Request. The HUIT Purchaser is responsible for researching pricing, item details and obtaining a quote from the vendor prior to creating a Non-Catalog Request. The basic formats for Non-Catalog Requests are:
HUIT Procurement Policy (cont.)

- One Time order for Goods or Services Billed By Quantity.
- One Time order for Goods or Services Billed By Amount.
- An HCOM Standing Order where services will be provided and billed over an extended period of time.

Shoppers must receive their goods and services within HCOM. They may choose to have the invoices sent to the local department and once confirmed, can forward the invoice to Central AP for payment. The invoice needs to have the HCOM PO number clearly displayed.

Payment Request – There may be specific instances where payment will need to be made for goods or services not obtained with a Purchase Order. In these cases the Shopper will process a request for payment -- using the HCOM Payment Request feature. This results in a “post-commitment” purchase, meaning that the ordering, receiving and resolving of vendor differences are handled outside of HCOM. HUIT policy is that Payment Request should only be used as a last resort and every effort should be made to use HCOM functionality to generate a Purchase Order prior to ordering goods and services. Payment Requests are appropriate to use when paying utilities, emergency services or other types of payments that you may not know what the amount will be in advance.

Vendor Credits – Vendor credits cannot be entered into HCOM. They must be sent directly to Central Accounts Payable at 1033 Mass Ave, 2nd Floor. It is very important to reference the original PO number or the Payment Request number, along with the 33 digit GL coding that the credit should be applied to.

Role of HUIT Accounting and Finance
HUIT Accounting and Finance Office serve to support, maintain, and interpret the procurement policy and process.

The Accounting Department oversees the process of all vendor payments/credits and helps resolve vendor and payment discrepancies. Such duties include:

-- Administration of HCOM
-- HCOM User Support
-- HCOM User Group Meetings
-- HUIT HCOM Process and Training for Shoppers/Approvers
-- New Vendor Set up
-- Acting Liaison with Central AP
-- Non-Standard Invoice Processing
-- Monthly Accruals
-- Payment and Credit Inquiries/Issues
-- HCOM Coding and Approvers Information Sheet: See link

Role of HUIT Finance
All HUIT HCOM purchase requisitions greater than $2,500.00 require Finance review and approval. The role of HUIT Finance within HCOM is to review transactions for proper budget appropriations and general ledger coding. Finance does not have an actual dollar value approval authority; however, most transactions require Finance’s review and approval within HCOM. Official approval resides with the Budget Manager.