

HARVARD
FINANCIAL ADMINISTRATION



***Responsibilities of Purchasers, Preparers
and
Approvers (ROPPA)***

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Office of the Controller
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Financial Policy Website: policies.fad.harvard.edu

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POLICY QUICKVIEW

Responsible Office:
Financial Policy Office

Date Effective: 9/2/1999
Date Revised: 3/1/2016 (Formerly
"Stewardship Responsibility"), early
adoption of revision by School is
allowed



[FULL
POLICY Download/print.pdf](#)

APPENDIX

[Appendix: Responsibilities by Role
Template](#)

RELATED RESOURCES

- [ROPPA Training Prerequisite](#)
- [Online ROPPA Training \(PIN Protected\)](#)
- [Informational Brochure: Reference Guide for Purchasers](#)
- [Business Expense Reimbursements Policy](#)
- [Conflicts of Interest or Commitment](#)
- [Faculty Financial Conflict of Interest Policy](#)
- [Fraud Reporting and Awareness Policy](#)
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Responsibilities of Purchasers, Preparers and Approvers

NOTE NEW REVISION EFFECTIVE DATE OF 3/1/2016; EARLY ADOPTION OF REVISION BY SCHOOL IS ALLOWED

Policy Statement

One of Harvard's fundamental internal controls is the proper review and approval of transactions. Preparing or approving any part of a transaction is a significant responsibility. This policy defines and codifies the responsibilities of individuals who spend Harvard funds and who prepare and approve transactions. Individuals who spend funds or who prepare or authorize expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, and have a proper University business purpose. All requisitions must be prepared properly with adequate support and be reviewed and approved by designated individuals. *If a transaction has multiple approvers, every approver is accountable for the elements of the transaction that he or she approves.*

Reason for Policy

Harvard has an obligation to safeguard its resources, adhere to donor and sponsor terms, and comply with all internal policies and external regulations.

Who Must Comply

This policy applies to all individuals who make purchases with University funds, or who prepare or approve transactions via Corporate Card, PCard, Web Reimbursement, or HCOM, as well as any transactions that feed into the Oracle e-business suite from other systems (e.g., Aleph, Presto, etc.)

Procedures

1. **Spend Harvard resources prudently.** Everyone who spends Harvard funds, either directly via a purchasing system (such as HCOM) or PCard, or indirectly, via Corporate Card or personal funds to be reimbursed, has an obligation to spend those funds with sound business judgment. Purchasers must ensure that each purchase is Harvard business-related and advances the work of the University, must spend according to budget or other approved funds, and must comply with Harvard policies and any sponsored or donor restrictions.
2. **Prepare transactions properly.** Employees who prepare a transaction are, at a minimum, responsible for ensuring the business purpose is complete and accurate, proper support is provided, and that the transaction is submitted for approval in a timely manner. Units, particularly those with centralized approval models, may place additional responsibilities on their preparers.



Responsibilities of Purchasers, Preparers & Approvers (ROPPA)

- Individuals who spend funds or who prepare or authorize expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, and have a proper University business purpose.
- These responsibilities apply to users of all financial systems and mechanisms where money leaves the University (HCOM, PCard, Corporate Card, Concur, etc.)
- All new staff and postdocs who are users of HCOM, PCard, BCD Travel Authorization Forms, and Concur Approvers are required to take an on-line ROPPA training course.



Training Prerequisite by Role

Introduction to Responsibilities of Purchasers, Preparers and Approvers (ROPPA)

Role	ROPPA Training Track	Training Prerequisite
HCOM Approvers	Approvers	Required 3/1/16 and on for all new users except faculty, whose participation is at each School's discretion* The online training may be found on the Training Portal
HCOM Preparers	Preparers	
HCOM Shoppers	Purchasers	
PCard Reviewers	Approvers	
PCard Holders	Purchasers	
Web Reimbursement Inquiry Create Travel Authorization – BCD	Approvers	
Concur Approvers	Approvers	
Concur Delegates/Preparers	Preparers	At each School's discretion
Concur Reimbursees	Purchasers	
Corporate Card Holders	Purchasers	

*"Faculty" typically means employees whose **primary appointment** is a faculty, instructional role. For example, post-docs would still be required to take the training, as would staff who have a secondary teaching appointment.

Each school is responsible for making sure the training has been completed prior to granting access to the system(s).



Fundamental Concepts

Regardless of your role or which system/mechanism you are using, there are a few key things to know:

- **Spend Harvard resources prudently**
 - Business expense vs personal expense
 - Comply with federal, local, fund or other restrictions
- **Prepare transactions properly**
 - Elements of a complete business purpose
 - Proper documentation – see [Definition of Receipts](#)
- **Review and approve transactions in a timely manner**
 - Approver should have sufficient knowledge to make an informed judgement that the transaction is appropriate
 - Approver due diligence – follow-up if there are questions or concerns
- **Create evidence of the approval**
 - Electronic approval, signing paper forms, or emails.
 - Best practice is to thoroughly substantiate review and approval in writing



Business Expenses vs. Personal Expenses

Harvard policies follow IRS rules for reimbursements called the accountable plan rules.

- Any time Harvard gives money or other value to an individual, it can have tax implications.
- The “Accountable Plan” is the set of IRS rules Harvard must follow to ensure reimbursements are not taxable to the recipient/reimbursee.
- The rules aren’t necessarily intuitive. Some expenses -- **even though they relate to work** – are still considered personal expenses (commuting, professional attire, etc.)

SUMMARY OF ACCOUNTABLE PLAN RULES

- Must be substantially business-related – not a personal expense
- Must be substantiated – documented with receipts and business purpose
- Reimbursement request must be submitted timely (90 days)
- Amount reimbursed can’t exceed actual expense



Business-Related Expenses

For Harvard to reimburse an expense without tax implications, the expense must be:

- Ordinary – common & accepted in the normal course of University activities;
- Necessary – appropriate in nature and amount; and
- Business-Related – not a personal expense

Common examples of Harvard business-related expenses:

- Registration fees and travel for professional conferences
- Materials used in research
- Supplies and equipment used in campus offices and labs

NOTE: The source of funding (i.e., sponsored research award) does NOT affect the tax treatment of the expense. The tax treatment of the expense ALWAYS hinges on whether or not it the particular expense is in DIRECT SUPPORT of University business.



Personal Expenses

Generally, expenses that prepare or indirectly support someone's ability to do their work are considered personal expenses and cannot be reimbursed as Harvard business expenses.

Common examples of non-reimbursable expenses:

- Commuting expenses from your home to your primary work location
- Repetitive meals (i.e., daily breakfast, lunch or dinner) while not traveling
- Costs for clothing that can be substituted for everyday use
- Personal services (e.g., haircuts, cosmetic services)
- Tuxedo rentals or formal wear – even for Harvard-related events
- Personal credit card annual fees
- Parking tickets or traffic violations
- Home office furniture or equipment

See the [Business Expense Reimbursements Policy](#)



Complete Business Purpose

- Your business purpose statement should give the reviewer a clear understanding of the reason for the expense. The best way to do this is to answer the 5 Ws.
- **Who?**
- **What?**
- **Where?**
- **When?**
- **Why?**

General guidelines on receipts and invoices:

- Hotel folios are required, regardless of amount
- Business meals that include alcohol should have an itemized receipt, regardless of amount
- Any purchase \$75 or over needs a receipt or invoice submitted as backup, but approvers are still encouraged to review receipts under \$75
- See [Definition of Receipts](#) for more details



Timely

- Regardless of your role, be mindful of School and University deadlines and allow sufficient lead time for processing transactions.
- “Sufficient time” generally means at least a week before the deadline, but complex purchases or reimbursements may require more.
- *Reminder:* do not send paperwork to Central until transaction has been approved in HCOM! This is the #1 reason for kick outs and delays.

Expense Type	Processing Time	Notes
PCard	Both Reviewers and Administrators review weekly sweeps	
Concur – Harvard Employee or Citibank Payment	0-90 days with no tax implications 91-182 taxable to employee 183+ will not be reimbursed	Citibank payments should be made ASAP to avoid possible late fees.
HCOM - Nonemployee Reimbursement	Best practice - 90 days or the same fiscal quarter as expense was incurred.	Reimbursements to nonemployees are not technically bound by the same 90-day deadline; however, units should pay nonemployee expenses in the same fiscal quarter as they are incurred.
HCOM Vendor Payments	Upon receipt of invoice	Process as received, generally within 10-15 days of receipt in order to have a check issued within 30 days.



Multiple Approvers

Approving any part of a transaction is a significant responsibility; every individual in an approval chain is accountable for the elements of the transaction that he or she approves

- In some cases, there may be more than one approver in an approval hierarchy
- For example, a department administrator might approve an expenditure that must be subsequently approved by a sponsored or gift administrator, and then finally approved by the tub finance office
- To avoid confusion, approvers must understand which elements of a transaction they are responsible for approving



Appendix: Responsibilities by Role

	Responsibilities	Purchasers	Preparers	Approvers
1	Purchasers are responsible for ensuring all purchases are Harvard business-related, benefit Harvard, and advance the work of the University	X		
2	There is a documented business purpose provided that clearly and completely explains the purchase (on paper or online) i.e., includes the “who, what, why, where, when”	X	X	X
3	The business purpose is legitimate, i.e., that the expenditure is an appropriate use of Harvard funds			X
4	The purchaser is authorized to spend the funds	X		X
5	The purchase is in compliance with established policies and procedures of the Org, School, Harvard University and any required external regulations	X		X
6	The transaction complies with University and any applicable external (e.g., grant) conflict of interest policies	X		
7	For restricted gift and endowment funds (302000-389999, 430000-699999), the charge is in accordance with the terms of the fund; for all sponsored funds (100000-299999), the charge is within the budget and project period and in accordance with terms of the sponsored fund and with applicable external requirements and regulations	X		X
8	There are sufficient budgeted or other approved funds to cover the expense	X		X
9	The amount of the purchase is reasonable (i.e., an appropriate level of spending for the circumstances)	X		X
10	Completed supporting documentation is provided to the preparer (e.g., an invoice, receipts, an email with written approval of a purchase, etc.) with sufficient time for processing, review and approval	X		
11	When submitting an employee reimbursement, the purchaser has documented his or her approval of these expenses (on paper or online)	X		
12	The correct 33-digit coding, including the proper object code, is used for the expenditure		X	X
13	Perform reasonable due diligence in addressing any questions about the payment		X	X
14	The transaction is prepared and forwarded to an appropriate approver with sufficient time for review and approval before University deadlines		X	
15	Transactions are approved in the system before the paperwork is sent to Central Administration for processing		X	
16	The transaction is approved or rejected in a timely manner			X
17	Each approver has documented the approval/rejection of the expenditure (on paper or online), including the date			X
18	When any role performs receiving in HCOM: do reasonable due diligence to ensure correct items were received	X	X	X
19	Reply promptly to questions from Accounts Payable or Reimbursements and Card Services	X	X	X



Approver Due Diligence

If a reimbursement request wasn't rejected by Central, that doesn't necessarily mean it was correct or compliant with policy

- The Travel, Reimbursements and Card Services team spot audits employee and non-employee reimbursement requests but they cannot audit every single transaction
- The Approver is the last person in the chain to verify that an expense is correct
- It's up to the Approver to resolve all questions before approving a transaction
- If you are an Approver and you are unsure of whether an expense is appropriate, there are resources to help you. Call your Tub Finance Office, Travel, Reimbursements and Card Services, or the Financial Policy Office before you approve a transaction



Resources

[Policy on Responsibilities of Purchasers, Preparers and Approvers](#)

[Harvard Training Portal – On-Line Training - Introduction to ROPPA](#)

[Reference Guide for Purchasers and Reimbursees](#)

[Fraud Awareness and Reporting](#)

[Definition of Receipts](#)

[Business Expense Reimbursements](#)

See the [Financial Policy Website](#) for monthly brown bag sessions. Held the 4th Thursday of the month from 11:00-12:00 in Lamont Library, Forum Room.

