

AFTER-THE-FACT PURCHASE ORDERS

An after-the-fact purchase order occurs when a University employee places an order without either first completing a TechBuy requisition or using a procurement card, and then enters a TechBuy requisition after the invoice is received in an attempt to pay the vendor.

After-the-fact purchase orders (ATFs) can create significant problems for the University. In many cases, the ATFs:

- Result in duplicate payments to the vendor that the department is responsible for.
- Result in higher costs for goods and services than might have been paid through standard purchasing methods or by utilizing contracted vendors.
- Result in supplier contracts with unfavorable terms and conditions signed by University personnel that are not authorized agents for the university.
- Lead to significant vendor payment issues that can result in problems for other departments on campus.
- Violate the University's purchasing policies.
- Bypass the University's encumbrance requirements.
- Place the University at risk financially.
- Create additional, often unnecessary, work for administrative support staff.

Ways to Avoid ATFs:

- If you have to place an order, create the requisition right away. Even if you don't know the exact amount of the order, you can *estimate* it. Even if Purchasing has not processed the requisition, as long as the requisition has been submitted on or before the date on the invoice, you will not have to use the ATF Form. ***Do not wait for the invoice before creating the requisition.***
- Talk to others in your department about getting quotes so you can create requisitions.
- Use standing or blanket orders for multiple payments to the same vendors or for emergency service calls that you may need throughout the fiscal year. Purchasing can also help you estimate an amount based on last year's spend!

When you have not been able to avoid an ATF, remember the following:

- You cannot use any state-appropriated funds (funds beginning with 11, 12, 13 or 14). Since this would result in an audit finding by the Comptroller's Office, ***there are no exceptions to this rule.***

- You cannot use federal funds for ATFs (funds beginning with 21).
- ATFs must be submitted on the TechBuy After-the-Fact Form, and the requisitions go through the standard workflow process (Office of Research Accounting, EH&S, Tax Compliance, etc.).
- Requisitions that were prepared properly and in compliance with university OPs will be processed first.
- Be sure to follow the instructions in the “How To” guide for completing an ATF requisition. These are done a little differently than other requisitions, and if you do not attach the required documentation, it can delay processing.
- Please understand that these ATF requisitions will be costing your department additional money. Texas Tech is required to pay interest on late payments.

ATFs are reported quarterly to university administration (Internal Audit and the Chief Financial Officer), but with a little planning and improved communication, many of them could be avoided. Purchasing will be glad to come to your department and present a customized training session for your faculty and staff at the chair’s or director’s request.