

**Harvard Library
HCOM Payment Policy and Procedure**

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Harvard Library HCOM Policy and Procedure

HCOM is Harvard's system for shopping online through approved vendors, submitting noncatalog purchase requisitions, and initiating payment requests. Harvard encourages the use of online shopping and purchase requisitions rather than payment requests whenever possible for the most efficient payables processing and timely payment of vendors.

Please note: this document does not cover Collections Purchasing, even that done through HCOM. Policies and procedures for Collections Purchasing through HCOM will be developed by ITS and HL Finance jointly, and distributed to staff responsible for Collections Purchasing.

I. Key Elements of HL HCOM Policy

University policies must be followed at all times. Highlighted sections here are not meant to imply that other sections of the policy are not applicable. This section is simply meant to highlight the key components of University policy, and policies specific to the HL.

1. HL encourages the use of punchout and catalog shopping with vendors in the Harvard Marketplace whenever possible. The use of vendors not in the Marketplace is strongly discouraged when equivalent items are available for purchase within the Marketplace. Periodic reviews may be done by University procurement or HL Finance to determine if nonpreferred vendors are being used, and departments may be asked to justify continued use of nonpreferred vendors.
2. HL uses a centralized HCOM hierarchy, meaning that most transactions are routed through the HL Finance Office. Transactions do not route directly from departments to Accounts Payable, but rather are routed through HL Finance.
3. All users of the HCOM system must take the on-line training (linked below) for his/her role. HL staff are encouraged to take in-person training (linked below), if offered, as desired.
4. All HCOM purchases must be approved by unit heads (or designees in their absence) either in the HCOM Hierarchy or on paper if prepared by the HL Finance office.
5. Departments are required to maintain AP files for all HCOM noncatalog transactions and payment requests regardless of dollar amount.
6. HL Finance retains copies of all backup documentation on all payment requests greater than \$25K.
7. The backup documentation for all transactions over \$250K must be scanned and attached electronically to the HCOM transaction. This is in addition to the paper documentation required of all transactions.
8. Departments are responsible for recording receipt in HCOM, resolving holds, resolving vendor issues related to damaged goods, returned goods or missing goods, and researching payment status for vendors upon inquiry.

II. HL HCOM Purchasing Roles and Responsibilities:

HCOM is a system based on roles and approval hierarchies to be established within each Harvard unit (within the framework that all transactions for over \$250,000 are reviewed and approved by the University Controller or her designee).

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HL has established the following roles and hierarchies. The Notes section contains information regarding the responsibilities for each role and/or level.

Role	Notes
Shopper	<ul style="list-style-type: none"> • Buys in the HCOM Marketplace, prepares purchase requisitions and payment requests. Originator of purchases within the system. • Receives goods and services in the system for punchout, catalog, and noncatalog requisitions to initiate payment to vendors • Prepares all forms and documentation required, including that for nonstandard processing • For all transactions over \$250K, scans and attaches documentation to the HCOM transaction online. • Obtains all required signatures on forms required to process the transaction • Maintains copies of transactions for department files • Routes forms and paper documentation to the Sr. Financial Analyst once the HCOM transaction has been approved by the Department’s reviewer(s) and routed to HL Finance
HL Finance HCOM Preparer	<p>For departments with no HCOM Shoppers, the HL Finance HCOM Preparer will:</p> <ul style="list-style-type: none"> • Prepare HCOM payment requests or noncatalog purchase requisitions for departments, if appropriate paperwork and coding are provided • Assists departments with receiving as necessary • Prepares all forms and documentation required, including that for nonstandard processing • Routes the transaction to the Reviewer for the department in the HCOM system, and provides the documentation to the Sr. Financial Analyst
Reviewer (Approver with no \$ level in system)	Generally, next level managers . Review for appropriateness and conformity to plan for particular area or department. Can be delegated budget compliance responsibility by the Shared Service or Support head.
Second level Reviewer (Approver with no \$ level in system)	Generally, unit head . “Approval” means that purchase is appropriate for the organization. Responsible for budget compliance.
First level approver (\$0 - \$24,999)	<p>Sr. Financial Analyst. Approves transactions up to \$25K for submission to AP. No budget compliance responsibility.</p> <p>Responsible for the following on all transactions, not just those under \$25K:</p> <ul style="list-style-type: none"> • Review coding string, description for appropriateness • Review backup documentation for appropriateness, audit for correct vendor and amount, audit for compliance with AP submission requirements, University policy and HL policy • Review all forms and documentation is properly prepared and signed for nonstandard processing requests and those requiring special documentation (such as Vendor Justifications, etc.) • Oversee the organization of packets for delivery to AP • Oversee AP filing system • Ensure all transactions greater than \$250K have backup documentation electronically attached to the HCOM request • Routes all transactions greater than \$25K to HL Controller

Role	Notes
Second level approver, if applicable (\$25K-\$249,999)	HL Controller <ul style="list-style-type: none"> •Reviews backup documentation for agreement with Sr. Financial Analyst review •Reviews for understanding SOPIC issues for quarterly reporting and need for adjustment at quarters • Ensures documentation is attached electronically for all transactions greater than \$250K • Informs Director of Administration and Finance of all transactions prior to approval and routing to University Financial Services
Third Level Approver (\$250K – greater)	Director of Administration and Finance <ul style="list-style-type: none"> •Reviews all transactions over \$250K prior to submission to University Controller, and ensures documentation is attached electronically (required by University Controller) •Discusses any unusual transactions as necessary with Unit Heads and HL Senior Leadership

III. Receiving and Issue Resolution Responsibilities

With the exception of Payment Requests, all other purchases must be received in HCOM in order to initiate payment to vendors.

1. While the HL Finance HCOM Preparer may assist in preparing purchases in HCOM, all remaining aspects of purchases, receipts and resolution of issues are the responsibility of the Department. These responsibilities include:
 - Receiving purchases in the HCOM system. (The HL Finance HCOM Preparer can assist a departmental staffperson to receive, but HL Finance is not responsible for initiating a receiving transaction in HCOM.)
 - Resolving all vendor issues around damaged or missing goods and the return of goods.
 - Responding to all University AP emails and phone calls regarding price or quantity holds, or unmatched invoices.
 - Monitoring the HCOM Audit Reports to proactively resolve price or quantity holds, and resolve unmatched invoices.
 - Researching vendor inquiries regarding payment status by utilizing HCOM and CREW reports.
 - Contacting HL Finance and/or University AP once all research avenues are exhausted and payment status cannot be determined.
2. HL Finance may review and monitor HCOM related reports, and/or assist AP in resolving issues when departments do not respond on a timely basis.
3. If HL Finance is frequently contacted by AP to resolve issues or ask departments to record receipt so that vendors can be paid, the HL Controller will contact the unit head and the department manager to initiate re-training and/or other remediation actions as necessary to improve compliance with University policies and procedures.

IV. Requesting HCOM Shopper and Approver Roles

1. The manager of an HL staffperson may request an HCOM role by sending an email to the Senior Financial Analyst in HL Finance with the following information:
 - Role requested (HCOM Shopper or HCOM Approver)
 1. If the request is for an HCOM Shopper, name of the next level approver (must be within the Shopper’s department).

2. If the request is for an HCOM Approver, it will be assumed that the next level approver is the unit head. If a different routing is desired, the name of the next level(s) should be indicated.
 - 33 digit default coding (must be within department's chart of accounts)
2. The Senior Financial Analyst will email a link to the appropriate online training, along with a copy of this document, to new Shopper or Approver, with a cc to the manager who requested a new role, and the next level approver if different.
3. The new Shopper or Approver will email the Senior Financial Analyst when the online training has been completed.
4. Once the Senior Financial Analyst has received the email from the new Shopper or Approver, the Senior Financial Analyst will activate the security, and notify the new Shopper or Approver, the manager, and the next level approver (if different) that the role is now available.

V. Delegating Approval Rights during an Absence

An approver may delegate approval responsibilities during an absence in the HCOM system. The instructions on how to do so are linked below. The following HL policies apply to delegation:

1. Approval can only be delegated to someone who has the Approver role in HCOM.
2. Approval cannot be delegated to a Shopper originating a transaction.
 - If a Shopper is the delegate, and the approver that delegated the authority to the Shopper was someone other than the unit head, the Shopper can route directly to the unit head.
 - If the unit head was the approver who delegated to the Shopper, the Shopper must either wait for the approver's return or obtain the approver's approval by email.
3. If the unit head does not have a logical delegate for the approval responsibility, he/she should send an email to the HL Controller and request that she be the delegate.
 - It must be understood, however, that the HL Controller's approval does not imply that the HL Controller understands the transaction to be within departmental plan or budget.
 - This delegation is only meant to ensure that vendors can be properly paid for necessary expenditures during the absence, and the approval represents only that the transaction is properly documented and within University policy.
 - If the HL Controller has any questions or concerns on a transaction delegated to them for approval, they will return the transaction to the Shopper or next level Reviewer and indicate that the transaction must wait for the unit head's return.
4. At no time will any other HL Finance staffperson approve a transaction in the absence of the needed approval hierarchy.

VI. Contacts

Role	Name	Email	Phone
HL Controller	Ellen Greene	ellen_greene@harvard.edu	6-2716
Senior Financial Analyst	Leah Nickel	leah_nickel@harvard.edu	6-4881
HL Finance HCOM Preparer	Aidan Alleyne	aidan_alleyne@harvard.edu	6-1448

VII. Links

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[Harvard Procurement](#)

[In-Person HCOM Shopper/Approver Courses](#)

[HCOM Courses](#)

[HCOM Job Aids](#)

[Link to Job Aid on Delegating Approval or Sharing Worklist](#)

[University Procurement Manual](#)