

What is a business/public purpose?

The justification for a purchase that clearly identifies the public purpose served (benefit to ASU's mission) and/or how the transaction directly benefits a sponsored project (whether it's reasonable, allocable, and allowable). *Each transaction must be able to stand alone when reviewed by auditors.*

Related policies: [FIN 119](#): Public Purpose Served and [Uniform Guidance 2 CFR 200 \(Code of Federal Regulations\)](#)

Why is the business/public purpose important?

ASU is an institute of higher education that is heavily involved in research activities for external funders such as federal, state, and local governments; private foundations; et cetera. We need to be cognizant and spend funds according to the rules & regulations of ASU, government, and sponsor policies.

Inappropriate use of funds could: Result in an audit finding, bad newspaper publicity, loss of federal/external funding to ASU, and/or disciplinary action (in cases of fraud).

What questions should I ask when writing a business/public purpose?

1. What was purchased?

e.g. description of specific items, list of services such as equipment maintenance contracts or consultants, etc.

2. How it supports ASU's mission to advance research and discover public value and/or directly benefit a sponsored project?

e.g. clearly justify either in the business purpose

3. Who will be using the item?

e.g. title of purchaser, researcher, or staff member (name is helpful) or the lab/unit that will use product

4. When?

If not a one-time purchase, such as in the case for service agreements, clearly state the coverage period. (e.g. 01/01/19-12/31/19)

5. Where?

If the shipping address is on ASU's campus, not needed. However, if the purchase is being shipped elsewhere, clearly state why it's not coming directly to ASU. (e.g. staff member works in ASU DC office)

EXAMPLES OF STRONG/WEAK BUSINESS PURPOSES – spell out acronyms!

Purchase of Dell server (on a grant)

Good: Dell PowerEdge T630 server, budgeted on grant 3' Untranslated Regions-mediated (3'UTR) Repressive Signals Collectively Oppose Proliferation, to be used by the principal investigator to analyze sequencing reads produced by tissue-specific ribonucleic acid (RNA) isolation.

Bad: Dell server used to run data analysis for project.

Employee travel to a conference (on a grant)

Good: Registration for Joe Smith to attend annual Nature Conference in Baltimore, MD. Dr. Smith will present his NIH grant research on *Identification of Tuberculosis Vaccines in Exosomes*.

Bad: Registration to attend a conference.

Purchase of an antibody (on a grant)

Good: Anti-TRPV1 (transient receptor potential cation channel subfamily V member 1) antibody used in western blotting for membrane protein analysis of pain sensation & cancer progression.

Bad: Antibody for western blotting.

Purchase of a lab supply (non-sponsored, unless justified/allocated on grants)

Good: Biohazard containment system needed to store and organize project samples in Biodesign lab B353. The purchase is split on grants A & B as all samples stored are for these projects.

Bad: Biohazard containment system.

ASU vehicle repair (non-sponsored, unless budgeted/justified on grant)

Good: Regular maintenance service (replace battery and wheel balancing) performed on ASU-owned jeep. The jeep is used by Dr. Smith's lab personnel for field research to gather data essential for experiments on Dr. Smith's grant for bat migration activity.

Bad: Vehicle repair and maintenance for car used for research activities.