

# **Software Procurement and Licensing Compliance (SPG 601.03-3)**

April 2017

# Highlights of Software Procurement and Licensing Compliance SPG

Effective Date: April 10, 2017

- Software, both online and shrink-wrapped, may be purchased using a P.O. or PCard without Procurement Services pre-approval provided that:
  - The total cost does not exceed \$5,000 (PCard)
  - The total cost does not exceed \$10,000 (P.O.)
  - No data classified as high or restricted in terms of sensitivity resides on the third-party providers servers.
- Supports the proper use of software licensed by the university, or by an individual using U-M funds, to carry out administrative, academic, teaching, learning, research, and clinical activities.

# Benefits of New SPG

- Greatly enhanced ability to purchase non-enterprise software by PCard or P.O. without the need for Procurement Services approval. Better meets modern-day volume of software purchases that need to be made quickly in support of teaching, research, and other U-M core missions.
- Software will no longer be on the restricted commodities list.
- OGC has approved a limited delegated authority to faculty, staff, and units to agree to click-through agreements without prior approval of Procurement Services.
- Better reflects current software market, which is increasingly cloud-based or instantly downloadable.
- Supports more effective software asset management by assisting departments, researchers, and faculty in procuring and managing software purchased by U-M.
- Articulates standards of ethical conduct with respect to licensed and copyrighted software and helps ensure that U-M and its faculty and staff stay in legal compliance with licensing agreements.
- Procurement Services remains available to review and assist departments with interpretation of license language if preferred.

# **SPG 601.03 and SPG 601.03-1 Retired in 2016**

**Ownership of Computer Software (SPG 601.03)**, issued 1979, never reviewed or revised and

**Management of Copyrighted Software (SPG 601.03-1)**, issued in 1993, never reviewed or revised

U Audits (2011) recommended that these SPGs be updated or retired.

Both SPGs were retired and removed from SPG catalog in 2016. They were significantly out-of-date, primarily procedural, and had not been followed for many years.

SPG 601.03 was effectively replaced by Who Holds Copyright at or In Affiliation with U-M (2011) and Technology Transfer Policy (2009)

# U-M Stakeholders Consulted

- Available on Policies Under Review Page of CIO website from July 1, 2014-February 27, 2015
- All IIA and ITS staff
- SACUA
- MCIT Software Licensing
- MSIS
- UMHS Compliance
- UM-Dearborn
- U-M Copyright Office
- U-M Library
- Unit IT Steering Committee
- ITS ITAM Working Group
- Office of General Counsel
- Umich ITAM membership
- UHR Communications
- U Audits
- ITS Customer Relations Group
- CAEN Software

# Other Campus and Industry Benchmarking

- All Big 10 institutions
- Duke University
- Rhode Island School of Design
- Stanford University
- Temple University
- Tulane University
- UC Berkeley
- UC Santa Cruz
- University of North Carolina
- University of Pennsylvania
- University of Texas, Austin
- BSA: The Software Alliance
- CDW Reference Guide: Software Lifecycle Management
- Educom Code: Using Software: A Guide to Ethical & Legal Use of Software for Members of the Academic Community
- Pacific Gas & Electric Employee Code of Conduct
- Software and Information Industry Association: Software Policies for an Organization and Its Employees

# Partial List of Software License Restrictions

- **Source of Funding:** Specific terms and conditions based on funding source (e.g., grant, non-grant, government, corporate, commercial).
- **Personally-owned devices:** Some licenses do not permit software to be used on PODs, even for university-related work.
- **Locations:** Some licenses specify locations at which software can be used (e.g., classroom, research, administrative) and prohibit usage in other locations.
- **Original Purpose:** Some licenses specify that a license for a specific purpose or activity (e.g., research, commercial, educational) cannot be used for any other purpose or activity.
- **Multi-device Usage:** Per-seat licenses do not usually allow for multi-device usage by same end user.

# Recommended Next Steps

- Departments, units, research projects should consider incorporating basic software licensing compliance education and awareness into orientation for all new hires.
- Departments and units should maintain records of all software purchases.
- Departments and units should have internal procedures to deal with software lifecycle management, including removing or destroying copies of software that are no longer in use or under a current license agreement.
- Departments and units should have procedures for when a faculty member or researcher leaves the university and has licensed software that is being relocated.



# For Further Information

- Software Procurement and Licensing Compliance (SPG 601.03-3):  
[spg.umich.edu/policy/601.03-3](http://spg.umich.edu/policy/601.03-3)
- For guidance and assistance from Procurement Services:
  - Email: [procurement.technology@umich.edu](mailto:procurement.technology@umich.edu)
  - Website: [procurement.umich.edu/buying/find-products-services/category/software](http://procurement.umich.edu/buying/find-products-services/category/software)
- For currently U-M licensed software available to departments, faculty, staff:
  - ITS Software Licensing and Distribution: [itcs.umich.edu/sw-info/](http://itcs.umich.edu/sw-info/)
  - Umich ITAM: [umichitam-help@umich.edu](mailto:umichitam-help@umich.edu)
- For information about end user license agreements and user requirements for unit-purchased software, contact the initiating department.