Job Aid: Creating a Multi-year Requisition

This example is based on a 5 year service agreement with 5 annual payments and first year’s payment will be made in current fiscal year. Prior to issuing a multi-year requisition, Department \ School must create the applicable years’ budget line in the budget tool module for the chartstring being used (currently only 4 fiscal years’ budget can be created and based on this example the 4th year budget line will repeat for year 5). Due to ARC systems requirement multi-year contract payments must be itemized by line per Columbia’s fiscal year.

What you need to have before you begin a multi-year requisition

1. Verify length of contract per supplier proposal or quote
2. In what fiscal years do the payments take place?
3. Determine how many fiscal years will cover the contract term
4. Verify that the natural account for the product/service (see Category Code* list on Purchasing website) matches the natural account in your selected chartstring
5. Create the necessary budget lines in the Budget Tool to accommodate the number of fiscal years required for your requisition
6. Please note that currently only 4 fiscal years’ budget can be created and the 4th year budget line will repeat for all subsequent years**

*please do not copy and save this Excel file as it is regularly updated by Purchasing

** In years following the 4th fiscal year a financial Change Order will be required to update the chartstring budget year for the remaining contract term (be sure that the budget line for the then current and remaining fiscal year(s) has been created in the budget tool)

Step 1: Define Requisition

Complete all sections below noting the following exceptions:

1. If purchase is unable to meet the competitive bidding process, select Sole /Single Source as indicated
2. If there are multiple Category Codes, Do Not enter in “Define Requisition”, but rather be sure to indicate the appropriate category code(s) for each line item.
3. Due date (for multi-year contracts, the due date should be entered in each line item with the exception of the first line, which must be a fixed cost service. Do not enter a due date on the “Define Requisition” page.
4. If there are multiple chart stings, this must be entered in for each line item. Do Not enter this information in “Define Requisition”.

Version 2 - Updated 6/2014
Step 2: Add Items and Service

Select “Fixed Cost”. This must be selected for all multi-year contracts or any contract with a start and end date such as service agreements, consultants, etc.

See exception #1 listed for Sole / Single Source above
See exception #2 listed above listed above
See exception #4 listed above for Chartfield 1
Step 2: Add Items and Services continues – Line Item #1

Create Requisition

1. Define Requisition  2. Add Items and Services  3. Review and Submit

Add lines to the requisition, specifying the information necessary to procure each item or service.

Note Value of Service is $0

Type in brief description service

Type in contract start and end dates

Type in quote date

Select Add or Start new Type – This is required to add the line items for the payment stream based on Columbia’s budget year requirement

Select send to vendor

Type in equipment quote #

Type in full description of contract
Select “yes”

Select Special Item
Step 2: Add Items and Services continues – line item # 2 (1st year’s payments) Be sure to enter to enter the due date, which must be the last date of the relevant fiscal year.

- Type in applicable payment for current fiscal year in this example it is payment 1
- Type in payment amount
- Type in # of payment(s) due for current fiscal year
- Enter last day of the relevant fiscal year
- Select to add line item
Step 2: Add items and Services continues – line item # 3 (2nd year’s payments)

Type in applicable payment details for 2nd year, in this example it is payment #2

Type in payment amount

Type in “ea”

Type in # of payment(s) for current fiscal year,

Enter last day of the relevant fiscal year

Select to add line item
Step 2: Add items and Services continues – line item #4 (3rd year’s payments)

Type in applicable payment details for 3rd year, in this example it is payment #3

Type in payment amount

Type in # of payment(s) for applicable year

Select to add line item

Enter last day of the relevant fiscal year
Step 2: Add items and Services continues – line item #5 (4th year payments)

- Type in applicable payment details for 4th year, in this example it is payment #4
- Type in payment amount
- Type in # of payment(s) for applicable year
- Select to add line item
- Enter last day of the relevant fiscal year
Step 2: Add items and Services continues – line item # 6 (5th year payments)

Type in applicable payment details for 5th year, in this example it payment #5

Type in payment amount

Type in # of payment(s) for applicable year

Enter last day of the relevant fiscal year

Select to add the line
Step 3: Review and Submit

Select “Review and Submit”

Create Requisition

Add lines to the requisition, specifying the information necessary to procure each item or service.

Search:

Catalog  Suppliers  Templates  Forms  Web  Special Request

Special Item

* Item Description:  
* Price: 0.00001  
* Quantity:  
* Category:  
Vendor ID:  
Vendor Name:  
Vendor Item ID:  
Mfg ID:  
Manufacturer:  
Mfg Item ID:  

Additional Information

☐ Send to Vendor  ☐ Show at Receipt  ☐ Show at Voucher

Add Item  Cancel  Add or Start New Type
Step 3 Review and Submit continues

Expand selections for line item # 2, 3, 4, 5 & 6 to update the encumbrance for each budget year

If “amount only” is required, select here for each line and check the amount only flag

By selecting “amount only”, you will be able to make multiple payments from each line

Version 2 - Updated 6/2014
Select the Budget Information tab for lines 2-3.
Select Budget information tab on lines 4 - 6
Step 3: Review and Submit continues – Review Budget date (lines 1 – 3)

Payment 1 is due in current fiscal year, therefore no update is required.

Payments 2 is due in next fiscal year, update budget date to July 1 of the next fiscal year.
Step 3: Review and Submit continues – Review Budget date (lines 4 – 6)

Update lines 4 and 5 budget dates to July 1 of each applicable fiscal year.

Due to systems limitation, there can be only 4 budget years, therefore update line 6 with line 5’s budget date.
Step 3: Review and Submit continues – Update Budget date for line 2 & 3

(by updating the budget years, the funds will not encumber until the date indicated here). Note budget date always begins on the first day of the fiscal year with exception of the current fiscal year which is always the date the requisition is created.

Since line 2 payments are for current fiscal year, no change is required.

Here is the updated budget date based on the corresponding fiscal year.
Step 3: Review and Submit continues – Update Budget date for (line items 4 - 6)

(by updating the budget years, the funds will not encumber until the date indicated here). Note budget date always begins on the first day of the fiscal year with exception of the current fiscal year which is always the date the requisition is created.

Here are the updated budget dates based on the corresponding fiscal years.

Due to system’s limitation, this will be the same as line 5 and will need to be updated to the applicable fiscal year via a Change Order any time after the end of the 1st fiscal year.

Select
Budget Error:
- If requisition fails budget check or if there is a budget error, it must be corrected before submitting the requisition for approval.
- A budget error means there is no budget line created in the department’s budget for the applicable fiscal year. For example, if line items 2 – 6 received a budget error and based on the example listed above, department would need to create the budget lines in the budget tool for fiscal years July 1 – July 2013 (current fiscal year); July 1, 2013 – June 30, 2014; July 1, 2014 – June 30, 2015 & July 1, 2015 to June 30, 2016.
- Once the budget error is corrected, verify budget dates and perform “check budget”

Warning or Valid budget:
- A budget warning means the budget line was created with $0.
- The requisition is ready to be submitted for approval and follow the normal process for issuing a requisition.

Budget dates:
- It is important to verify the budget date prior to submitting the requisition for approval, since the system often reverts the budget date to the date the requisition was created if any changes were made to the requisition after the budget date was updated. Changes such as but not limited to:
  - Change made on the “Define Requisition” page
  - Category code change
  - Natural account change
  - Requisition previously had a “budget error” and the budget error was corrected

Should you have any questions, please direct to the University’s Finance Service Center at http://finance.columbia.edu/content/finance-service-center.