Purchasing Process QuickGuide

Overview

A requisition is a formal request to buy a good or service and creates a pre-encumbrance on the University General Ledger. When a requisition is sourced to a Purchase Order, then dispatched to a supplier, an encumbrance is created.

Always create a requisition before placing an order with a vendor.

Check if prior department/budget approval is necessary. You should always verify funding and approval for a purchase prior to initiating or approving a requisition.

Once a requisition has received final approval by the Purchasing Department, ARC generates a purchase order and dispatches it to the supplier via email, so be sure to include the correct vendor email on the requisition.

Budget Check should be performed prior to submitting a requisition into workflow.

Choosing a Vendor

The key rule to follow in requesting goods or services is the Competitive Procurement Policy (also referred to as Competitive Purchasing or Competitive Bidding Policy).

When purchasing goods, it is always preferable to use vendors with a University-wide Purchasing Agreement (UwPA) when available; check the online Purchasing Guide for vendors and select the "View by UwPA" tab. If a purchasing agreement exists for the vendor entered into the requisition, it will automatically be assigned. If the vendor field is left blank the Category Code used will trigger the approved UwPA vendor to be attached.

Some vendors, like Empire Furniture, have two arms, one UwPA and one not. Oracle as a UwPA refers to hardware; Oracle Services is an approved vendor but is not a UwPA and requires a Central PO.

Any vendor listed in the Vendor Management database is approved. Verify that vendor's Open for Ordering box is checked. Preferred vendors typically need an RFP (Request for Proposal) and to upload articles of insurance when required. UwPA's do not need RFP's, and any required documentation, such as contracts and insurance, are automatically uploaded.

Service providers are not considered UwPA's. However, they are considered approved or preferred vendors if they have already been vetted and entered into Vendor Management's vendor database. Selecting an approved vendor expedites the requisition process. If using an unregistered vendor, a new vendor request form must be submitted to vendor management before a requisition can be entered.

Purchasing Methods

Voucher Only: Some services do not require a requisition and can be purchased then paid for using an AP voucher. This is called a Voucher-Only purchase. Please consult the Purchasing Guide. Certain voucher-only services will require additional documents, such as a Scope of Work or Performance Agreement. These are submitted with the invoice as part of the AP process in ARC.

P-Card: Procurement Cards can be used for items less than $2500 using a UwPA. For items over $2500 using a UwPA, create an Autosourced (Direct) Purchase Order. P-Cards are used to purchase goods only. P-Cards can never be used to purchase services or for licenses except for off-the-shelf software. P-Cards cannot be used for software maintenance.

Requisitions for Autosourced (Direct) PO: Items using a UwPA have no purchasing thresholds and do not require Central Purchasing approval as University approved contracts are already in effect with the vendor. The requisition triggers an immediately sent Autosourced (Direct) PO. UwPA contracts must be current (not expired).

Requisitions for Central PO: For items/goods over $500 (if P-Card is not used) not using a UwPA and for all services or contracts to be reviewed by Central Purchasing. If requisition is approved by Purchasing, a Central PO will be created and sent to the vendor.

For items not using a UwPA search for the vendor to determine if it exists in the system and is validated. If choosing to use a new vendor, submit a Vendor/Payee Request Form into the approval process. Once Vendor Management has approved the new vendor, submit the requisition. If the requisition is fully approved it will create a Central Purchase Order, which will be sent directly to the vendor by email. You will be notified during the requisition approval process, or you can check on progress under the "Manage Requisitions" section in ARC.

For non-UwPA purchases, see the Competitive Procurement policy regarding the Requests for Quotes (RFQ) process:

> Goods under $2500 do not require a bid but do require a quote
> Goods over $2500 and under $10000 require two written bids
> Goods over $10000 require three written bids
> Services under $25,000 do not require a written bid but do require a quote
> Services over $25,000 require three written bids

Bids must be for the same goods or services and include a bid date and unit/total price.

Single/Sole Source

See Competitive Procurement policy for instances where a Single/Sole Source must be justified for purchases that normally require multiple bids.

Single Source usually means requestor has chosen to only consider one source. Sole Source means only one source is available with the required specifications.

Goods over $2500 require a Sole/Single source justification form if not obtaining multiple bids. Services over $25,000 require a Sole/Single source justification form if not obtaining multiple bids.

All Sole Proprietors or individual contractors require an Independent Contractor Certificate.

You should NOT order goods or services without completing the requisition/PO process. However, if this happens (i.e. order is made, invoice received), you should complete the Single/Sole Source Justification form for orders according to the above Competitive Procurement thresholds.

See bottom section for: *More on Single/Sole Source*

Requisition Creation Process

To create a requisition, go to ARC, navigate to the Purchasing module, choose Requisitions.

Requisition creation requires three over-arching steps:

1) **Define Requisition** - Header and Distribution
2) **Add Items and Services** - Line Items and Scheduling
3) **Review and Submit**

There are, however, four components to a requisition:

> 1) **Header** - General information about requisition applicable to all line items
> 2) **Distribution** - ChartField information can be entered here once and will apply to all items, or under Line Items individually for each item; account code defaults from the category code
> 3) **Line Item** - Different goods/services; each line item's specific information
> 4) **Schedule** - Information determined by line items

Step 1: Define Requisition

The Define Requisition page of the process is divided into two areas, Header and Distribution.

If you enter defaults, the information on this page will apply to all line items on the requisition.

Note: Requisition name/description should be precise not general.

A) **Header**

- Vendor selection (one vendor per requisition):

UwPA
Search existing approved vendor
Request new vendor

If using a non-UwPA, some items require quotes. Include quotes in the Line Item Additional Information box and/or the Review and Submit Comments Box and upload Bid Sheets to EDM during the Review and Submit process. If you are not including a quote/bidding sheet, select Sole/Single Source and explain why. Include a Sole/Single Source Justification Form.

Be sure to check "Send to Vendor" to ensure all quotes and additional information are included in the invoice, to avoid delays with the supplier; purchasing does not include this information automatically.

- Ship to and for One-time shipping address/code

Requestor can only view selected customer address in the One-time Only link
Be sure to include your department name and suite/room number when completing the one-time address Ship to/Bill to information

- Bill to address/code

- Category Code

Category Codes are necessary for proper routing of requisitions and for accurate reporting. Incorrect use of codes can result in misrouting, delays or denial of requisitions by Central Purchasing.

All requisitions must contain category codes for each line item that accurately reflect the requested purchase. Category Code fields exist in both the requisition header and requisition line entry.

Entry in the header will maintain category code for all line items of the requisition. Entry in Line Items will require a category code for each line of the requisition.

To look up Category Codes select the magnifying glass next to the Category Code field, select a description and click "find" or consult the Purchasing website.

For goods, UwPA category code and vendor number (ARC Vendor ID) must match for the transaction to be recognized as a UwPA and for the auto-sourcing feature to occur; this information is located in the ARC Contract Module or though the Purchasing Guide. If the vendor field is left blank and the Category Code chosen, a preferred vendor linked to that code will be automatically assigned.

- Unit of measure

For services this should always be Unit 1

B) **Distribution**

- ChartFields and ChartString

ChartStrings can be entered into the header or line entry, but not both.
Entry of a ChartString into the header will apply to all line items.
Entry of a ChartString under Add Line Items will require entering a ChartString for each line item of the requisition.

The Natural Account ChartField is tied directly to the Category Code and will update based on the Category code selected.

Best Practice: Don't enter a number in the Account field on the Define Requisition page as it will override account information on the review page and possibly cause an error. Account Code default is based on the category code. An Account Code on the Define page would only work if it is the same for all the line items so best to leave it blank.

Step 2: Add Line Items and Services

Note: Category Code and Unit of Measure, if entered on the Define Requisition page, will default to the item during the data entry process.

Line Information

Line Items are added to a requisition using one of three methods:

-**Special Request**: For most goods and services
-**Templates**: Single items frequently ordered
-**Favorites**: Groups of items commodity ordered together

Special Request is the most common way to add line items. Depending on what type of purchase the requisition is for, there are four types of special requests:

- **Special Item**: For purchasing goods with specified quantities.   Also use for services that do not have start and end dates.
-**Fixed Cost**: For purchasing services with contracts that have specific start and end dates (e.g. consultants, leasing, service providers); also used also for multi-year contracts/POs
-**Variable Cost** - Not used
-**Time and Materials** - Not used

Special Item and Fixed Cost are the two main types of Special Request and are the only ones typically used.

Only the first line of a requisition can be classified as Fixed Cost Service as there can only be one Line Item in a single requisition that maintains a service start and end date; all other Lines Items must be categorized as Special Items only.

Amount Only:
- Amount Only flag should be used when selecting a Fixed Cost Service.
- All Service Providers are amount based (but not capital leasing).
- For non-service related contracts, the Amount Only flag can be selected during the Review and Submit step of the requisition process.
- When selected, all quantities on the respective lines will be converted to a value of 1 unit.
- It is important to review the extended dollar value of the line item(s) as this might have changed due to the update in quantity.
- Amount Only (not Quantity) should be used if multiple payments will be applied to one invoice, or if the invoice will close out after the first payment is made.

For more details on how to complete a multi-year requisition please go to the Purchasing website or consult the job aid.

The Line Item Additional Information box should include precise descriptions, purpose, and relevant information such as quotes.

For each line item requested a clear description of the product or service must be provided. For example:

Unacceptable: Purchase computer service agreement
Acceptable: Dell 780 computer with monitor
Unacceptable: Purchase computer service agreement
Acceptable: Annual service contract for GE ultrasound

Never just enter "see quote" into the line item description

All quote or proposal information, or other relevant information, should be included in the Standard Comments field during the Review and Submit process. Check the "to vendor" flag so the comments are transferred to the Purchase Order.

ChartStrings can be filled out here (Line Item section) if not provided in the header.

Scheduling is determined by line items and sets guidelines for due date of goods/services.

Step 3: Review and Submit

Review the following information for accuracy before submitting the requistion into workflow for approval and processing:

> **Header**
> **Distribution**
> **Line Items and Services**
> **ChartField/ChartString**
> **Scheduling**

Account codes can be overridden from the Review page and manually entered.

SpeedCharts may be entered here for a particular line item. SpeedCharts can be created as a shortcut for entering frequently used ChartStrings.
Note: SpeedCharts apply to goods not services. See website for more info.

Account Codes and SpeedCharts can be found by clicking the arrow icon (>) and expanding the line details.

To select the **Amount Only** flag in the review section:

> Select the yellow notepad to the far right of the line representing "line details"
> A screen will open with the "Amount Only" selection on the bottom right
> Once flagged, a warning will appear stating quantity will be converted to 1 unit

Note: A **budget check** should be performed prior to submitting the transaction into workflow; should the budget check fail, this must be corrected prior to submitting.

Note: During the **Review and Submit** process, include all relevant information in the **Comments Box** and relevant documentation should be uploaded to **EDM**.

All supporting documents uploaded must be properly indexed (e.g. proposals, scope of work, contract, etc.) and uploaded separately. Do not combine (bundle) different documents together under one document type/one file as this will delay processing of the transaction.

Uploading Additional Documents

Forms located in the Finance Gateway Forms Library for upload via EDM (Electronic Data Management):

Bid Summary Sheet
Certificate of Insurance Template (COI)
Credit References
Memorandum of Insurance (MOI)
Standard CU Terms and Conditions
RFQ: Request for Quote, for goods/services with standard/easily compared specifications, use a Bid Summary Sheet
RFP: Request for Proposal, for goods/services with more complex requirements, use the RFP process
Note: RFQ's are essentially used for construction, RFP for services. Using these format templates is not required when documenting competitive purchases, but is preferred as they provide a clear template for documenting 3 required quotes/bids.

Other forms for upload from [Forms Library](#):
Independent Contractor Certification - for Sole Proprietors/individual contractors only
Sole/Single Source Form - justification for Sole/Single Source
Scope of Work Agreement/Letter
Task Order Proposal
With the exception of the TOP, to find these forms go to the All Finance Forms **link** on the bottom of the Gateway page or type into "search" and a PDF of the form downloads.

Additional forms requested in the Purchasing Guide can be found in the [Forms Library](#):
Architects and Engineers (A&E) Contract
Executive Recruiting Agreement
IT Services Agreement
Letter of Engagement (LOE) or Letter of Intent (LOI)
Marketing Agreement
Service Provider Agreement
Engagement Letter
Peer-to-Peer Agreement
Visiting Faculty Agreement
Performance Agreement: all performance agreements are Voucher Only
Performance Agreement with proof of medical coverage or $500K CGL Insurance
Release Agreement
Medical Claims Services - Contract for Services
Furniture Exception Memo
Business Associate Addendum (Medical)

Uploaded document Tips

- A quote/invoice proposal must equal the amount of the requisition; for multiple quotes/invoices/proposals from the same vendor, the total of those uploads must equal the amount of the requisition.
- Requisitions should be itemized to match the line items on the quote.
- On Site Catering requires invoice/proposal/quote, a COI (Certificate of Insurance) and NYS Catering permit if Alcohol is served.

- On Site work including repairs, consultancy, catering, wait staff, moving services etc. requires a COI.
- View Docs lets users see documents related to a requisition in OnBase.

Also Good to Know

Always be sure the Requisition Description is precise, the Additional Information field under Line Items includes detailed descriptions and purpose, and the Comments Box under Review and Submit includes any quotes or relevant information. Be sure all Bid Sheets, Contracts and relevant documents are uploaded through EDM.

Quotes are usually only required for all requisitions. Some UwPA's require quotes to be listed in the Comments Box, for example those requiring e-quotes: Dell, Apple, and furniture suppliers.

Requisitions should be submitted prior to ordering, but if the order has been placed first, put the invoice number in the requisition Comments Box (during the Review and Submit step) along with where the order came from, details of the order and vendor, and any order number.

Appropriate bid documents and contracts must be included in the requisition. However, Purchasing Officers in Central Purchasing perform vendor analysis and may select different vendors, obtain bids and quotes and negotiate contracts at their discretion, if Central Purchasing is assisting a department or seeking to determine if a purchasing request could be met more cost effectively. As Central Purchasing does not review until after the requisition has passed through initial approval, and such approval will not be granted without the appropriate documents uploaded to EDM, this can seem confusing. Check with Central Purchasing if you have questions.

Always enter service contracts with start and end dates under Fixed Cost.
For multi-year contracts, there must be a line item created for each contract year.
For a contract extending beyond three years, the remaining years will be added after the 3rd year, and updated by Change Order. If a total PO value of a contract is to be paid in the first year of a multi-year PO, please specify in the comments section of the PO and do not check the "Send to Vendor" flag.

Departments may distinguish between a Requestor and a Requisitioner, as the training describes, although they may be the same person if the Requestor (faculty or staff member needing to place the order) has ARC access. Check within your department first. Do not simply order goods and then try to place a requisition. The requisition must always proceed placing the order.

Manage Requisitions allows users to check on the status of a submitted requisition. Access <budget check - exception - workbench> to find a requisition not passing the budget check and fix.

Checking the Purchasing EDM Web Form will provide the most up to date status of your requisition or change order.

Facilities specific engagements for Morningside and CUMC that use Task Order or Term Agreement suppliers up to $5000 do not require the issuance of a PO. Task Orders are seldom required for most items/services.

Special Vendor Types

Catering: On Site

-Invoice/proposal/quote must be included for food, staff and all pricing, and totals must match the requisition amount; 2-3 bids are preferred but can be difficult to compare; a sole source can be used but menu preference cannot be used as justification

-A NYS Alcohol Permit (temporary liquor license) is required if alcohol is being served; vendor provides the alcohol and license

-Vendor may drop off items, paid for in AP

-If staff is hired, a COI must be provided, including auto and workers comp

-Vendor provides all documents to the department for submission to Purchasing with requisition

-Consult Events not Catering for sources

Catering: Off Site

-Contract required but no requisition or PO. If a department processes a requisition it will be cancelled and the vendor's contract emailed to Wendy Johnson. A Master Agreement will be sent if one exists with the vendor. If there is no Master Agreement, Purchasing sends Columbia's Standard Terms and Conditions on vendor letterhead for authorization.

-Departments cannot sign contracts. Purchasing will create an amendment as needed.

-Departments should be familiar with the approximately 15 frequently used vendors, e.g. Havana Central, Bar Boulud, Red Bull.

Furniture:

-A Furniture Exception Memo is required if not using Steel Case. For installation, a COI is required.

-Some vendors, such as Empire Furniture, have two arms, one UwPA and one not.

Travel:

For travel services, link to the approved travel agencies (not offices) or the Columbia Travel Portal.

Vehicles:

-Go to Risk Management to get title, license and insurance, but do not upload

-For domestic vehicles only

Overseas Requisitions provide converted currency. Exchange rates are checked at the time of payment.

Requisitions require prior approval for:

-Restricted items such as hazardous materials
-Capital Equipment - goods valued at or above $5000; see Capital Assets
-Vehicles - managed through Risk Management
-Photocopiers - managed through Print Services
-Research animals and equipment/supplies - managed through ICM
-Executive Recruiters - managed through OMB
-Medical Software - managed through CUMC IT

Purchase Requisitions are required for:
-Purchases than cannot be made using a P-Card
-Supplier has requested a formal PO
-Restricted Commodities (see policy)
-Services
-Lease finance requests

Purchase Requisitions are not required for:
-Honoraria
-Utilities
-Subscriptions
-Banking and Real Estate transactions
-Temporary staffing (use CUHR)
-Travel Reimbursements and direct payments to travel-related vendors
-Catering Off Site - a contract is required but not a PO, so any requisition is cancelled and the vendor contract emailed to Wendy Johnson
-Printing
-Promotional goods and advertising
-Services outside Columbia University
-Books

All Requisitions require:
-Name of Requestor
-A detailed description of items/services with complete specifications, including invoice number or quote in the Comments Box.
-A statement of intended use or purpose.
-Quantity and unit of measurement
-Estimated or actual cost; estimated cost must be reasonably accurate, based on established parameters that can be referenced; even UwPA's must have a quote listed in the Comments Box
-Vendor contact information and valid email - PO's are sent via email
-Complete ChartField (budget) information.
-Suggested source for goods/service; Purchasing Department makes the final determination of supplier used
-Any special delivery instructions
-A proper UNSCPC must be assigned

Additional requirements usually for non-UwPA, Central PO requisitions:

- -Name of vendor on contract must match name on requisition
- -Amount in contract matches amount in requisition
- -Dates in contract must match dates in Scope of Work (SOW) document
- -SOW signed by both parties
- -SOW included in contract; this may be bid document, explanation of requisition, invoice, or, less commonly, Task Order Proposal
- -Contract signed by vendor and Columbia
- -Vendor signature matches officer authorized to sign

More on Single/Sole Source

The Sole/Single Source option is used when the purchase is not a UwPA and either the purchase has not been competitively bid or the lowest bidder is not selected. There could be various justifications for this:

- -Only one provider can provide the good or service (for example a specialty item)
- -A purchase is proprietary and there are no other market options (often seen with software, or systems' maintenance)
- -Competitive bids were solicited but no responsive bids were received
- -Competitive bids have not been included for reasons such as confidentiality
- -Competition is precluded because of existing patents, copyrighting, confidential processes, proprietary information etc.
- -Continuation of work within the same fiscal year would be disrupted by bidding or switching vendors
- -The need for specialized replacement parts or specialized technology
- -Compatibility with existing equipment

Sometimes the Sole/Single Source option is selected because an order has been placed prior to submitting a requisition. However, while this may be required to get a vendor paid, this is not considered an acceptable practice.

The Sole/Single Source justification form link will be sent via email to the requestor the next business day after the requisition is approved. Once the link is opened it will reference the respective requisition and must be completed. Do not upload a separate Sole/Single Source justification form through EDM. All supporting documents must be uploaded no more than nine days after the transaction is released by the requestor, or the transaction will be sent back (denied) for resubmission once all the documents are available.

Common reasons a requisition is returned:

- -Incorrect cost center
- -Improper cost center signature authority
- -Incomplete or vague descriptions or specifications
- -No intended purpose or questionable intended purpose
- -Relevant forms have not been included

Do not make changes to a requisition once it is assigned and pending Central Purchasing.

Do not issue a Service Now Incident and follow-up with an email and/or phone call for the same issue, as you will be directed back to the Incident issued to resolve the matter.

Do not insert Adhoc approver(s) for Central University approvals. Workflow will route the transaction to the appropriate approvers automatically.

Basic Process Steps:

Enter ARC Portal
Select **Main Menu**
Select **Procurement**
Select **Create Requisition**
Define Requisition - fill in fields
Header:
Business Unit
Requestor
Requisition Name
Sole/Single source if applicable
Vendor information

- Use magnifying glass to look up a supplier
- Use Short Name field to locate a supplier
- Click on Vendor ID field
- Be sure "Open for Ordering" box is checked to ensure supplier available
- Be sure to include a valid vendor email
- If purchasing address different from the one customer requires, provide updated address in Comments Box on Review and Submit screen
- For Vendors using "e-quotes" (Dell, Apple, furniture suppliers) include "e-quote" in line item Additional Information field.

Category Code and Unit of Measure

- Category Code entry in Header applies to all line items
- Category Code entry in Lines Items requires entry for each line
- To look up Category Code select magnifying glass next to box
- Incorrect codes can result in misrouting and denial of requisition
- Unit of Measure for services will always be 1

Shipping information

- Note: under Modify Onetime Address, the information will default based on Requestor's information but can be modified here
- Include department name in "Building" field and suite/room in "Floor" field

Click **OK**
Billing information

- Again note Modify field

Click **OK**
Distribution:
Note: Account Code and Dept. Code default based on Requestor Category Code
Enter the ChartField

- Enter ChartString in requisition header to apply it to all line items

Enter ChartString into individual line items if not applicable for all items
Natural Account ChartField is tied directly to Category Code and will update based on Category Code

SpeedCharts for frequently used ChartStrings can be entered under Review and Submit
Fund and Function fields will default when the requisition is saved
Click **OK**

Add Items and Services:

There are 3 ways to add items:

- Special Request: most items and services
- Favorite: single items ordered frequently
- Template: groups of items commonly ordered together

For most items select the **Special Request tab**
Then select the **Special Item** for goods
OR Select **Fixed Cost** for services and/or contracts with start/end dates

- Fixed Cost can only appear on one line as only one line per requisition can maintain start/end dates; these contract dates must be entered
- Amount-based must be selected for Fixed Cost, not Quantity-based; all services are amount-based

Click on **Item Description** field (for Service Description write "services for department...")
Enter Price
Enter Quantity
Enter Unit of Measure (for services this will be 1)
Enter Business Unit, etc.
Add detailed description and relevant information in the **Additional Information** box
When filling out Additional Information check the "to vendor" flag to ensure comments are transferred to the PO
Click **Add or Start New** to add more items
Click **Review and Submit**
During Review, click the Expand button (arrow on the upper left) to see details of the line item to review shipping and accounting information
Relevant information, such as quotes, should be added to the Comments Box.
Click **Modify Line/Shipping/Accounting** to add defaults or modify information
Click **Load Values** from Defaults to see what information is defaulted onto the requisition
Override defaults or change information now if necessary
Click **Apply** when satisfied with the information
Select option for which you would like to apply distribution changes:

- All Distribution Lines
- Matching Distribution Lines
- Replace Distribution Lines

Click Ok
Click **Line Details** button to see if a UwPA is associated with the vendor and category code and ensure it is the correct contract.
Click **Expand** section button to see if any contracts are associated with the requisition.

A requisition can be Quantity-based or Amount-based. All default to quantity-based, meaning you can voucher it up to the quantity on the requisition. This is used for goods not requiring multiple invoices. Select Amount-based when multiple invoices will be applied to the requisition.
Click **Contract** to see if the appropriate contract has automatically been selected.
Click **OK**
Click **Collapse Section**
Select **Procurement EDM** to attach any required documents.
Click **Check Budget** to ensure budget allocated for requisition. You will then have to click **OK** to save requisition during budget check; or hit cancel and proceed without a budget check. It is advisable to check budget before submitting requisition into workflow.
Click **Save and Submit**
You will see the submission confirmation screen with Requisition Name and ID number and the approval workflow routing.

To create a Template or Favorite:
First enter the items as you would a **Special Request**.
During **Review and Submit**, select the lines you wish to designate
Click **Add to Favorites**
Click **Close**
Click **Add to Template**
Enter name of template and description of requisition template
Click **OK**
Click **Add Items and Services** to add the favorite or template to the requisition
Click **Favorites tab**
Verify that the favorite has been added or select and click on **Add**
Click **Templates tab**
Select template and quantity and click on **Add**
Hit **Review and Submit**

Change Orders

Change Orders should be done when updates are required for:
- Increased quantity
- Increased value
- Due date
- Cancellation of the PO
- ChartString modification (Financial Change Order)

Change Orders are not typically required when the value of an invoice exceeds the current PO value within an accepted variance/tolerance. This variance allows for items such as shipping charges and small incidental fees that may not have been anticipated when the purchase order was originally created. Above these thresholds, however, a change order is required to increase the value of the original Purchase Order. Further information on variance allowances can be found under [Change Order Variance Thresholds] on the website. For variances per Category Code, see the [Category Codes and Descriptions for ARC] document found on the Purchasing main page.

When completing a change order it is mandatory that the "Justification" section be completed to provide details of any changes to the approver and Central Purchasing.

If the change order is for an increased dollar amount beyond the allowed variance, there must be an invoice/quote/proposal from the vendor or the requisition will be placed on hold.

Once a change order is initiated, the PO is out of dispatch status until the change order is finalized. This means a voucher cannot be paid against the PO until it returns to dispatched status. Users can recall a transaction after it has been submitted to workflow in order to make a correction or update by initiating an edit.

Notification on change orders goes to the requisitioner, not the Change Order processor.

Checking the Purchasing EDM website form will provide the most up-to-date status for your requisition Change Order.

To review changes that have occurred on a PO, go to "Review Change History" in ARC.
Go the Main Menu
Select Purchasing
Select Purchase Orders
Select Manage Change Orders
Select Review Change History
Search by the PO#
The location where changes occurred will be displayed

PO Liquidation (Closing a PO)

Liquidation occurs by processing a final voucher and selecting the "finalize" icon during the payment process.

Alternatively, liquidation can occur by performing a Change Order and reducing the value to $0 on the remaining balance. This can only be done when the PO is in "Dispatch" status, and can only be used for ARC-based PO's and not converted PO's.

- Proceed to the "Add/Update" PO page, enter the PO number in the search critera and use the "contains" filter
- Reduce the PO line values to $0 or less the amount over the already paid/received amount (be sure the "Amount Only" flag is not checked)

Liquidation may be prevented or require assistance for the following reasons:

- Partial receipt of goods
- Voucher pending
- Period ending
- Exceeded quantity (for Amount Only)

The liquidation process can be complex. Please consult the job aid on the purchasing website.