Purchase Orders

A Purchase Order form is the only official document that can legally bind the College for purchases. All items and/or services costing $1,000 or more must have an approved Purchase Order before an order is placed with a vendor. Verbal/telephone ordering commitments are acceptable only after approval of the Purchase Order form by the Business Office. The responsibility for the approval of Purchase Order resides in the Business Office. The Purchase Order will be sent to the vendor unless the requisitioning department specifically requests otherwise.

• Issuing a purchase order

When the Accounts Payable Office receives the white copy of the Purchase Requisition, the following steps are taken:

1. The Purchase Requisition is scanned for accuracy.

2. The information is entered into the computerized, Administrative Purchase Authorization System.

3. The total cost of the requested purchase is compared to the current unencumbered balance shown in that particular line item, and authorization is secured from the Vice President for Business Affairs, or his designate.

4. Purchase Order is generated by either the Accounts Payable Office or the designated office. The white copy of the Purchase Order is sent to the vendor (or returned to the department making the requisition if they prefer). The yellow copy is filed by the Accounts Payable Office. The pink copy of the Purchase Order is returned to the department making the request as evidence that the order has been awarded.

5. Purchase Orders totaling $10,000 or greater should NOT have the name of the Vice President for Business Affairs and Treasurer printed on the Purchase Order by the computer. Rather, the name field should be left blank and the Purchase Order should be routed to the Vice President for Business Affairs and Treasurer for a manual approval process.
NOTICE:

Asbury College cannot be obligated for materials or services except by a formal Purchase Order. Any other commitment is a personal obligation of the maker and as such the individual may be financially liable. Firms ordinarily doing business with the College are aware of this policy and are advised that all purchases chargeable to the College must be authorized by an official Asbury College Purchase Order. The College is not obligated to reimburse officers, employees, or faculty for the cost of any purchases on behalf of the College, when approval has not been granted from the Business Office prior to the purchase commitment by the employee.

- **Price and quantity variance on purchase orders**

Vendors will be instructed that actual total price and quantities may not exceed the stated quantities and prices by more than 10%; otherwise the Purchase Order is considered invalid. The following statement will be printed on Purchase Orders: “If actual total cost of merchandise (excluding shipping and handling) exceeds 110% of amount listed, then this order is void and should be returned with updated price information to Asbury College Accounts Payable office for reauthorization.”

- **Mistakes resulting from incorrect purchasing specification**

Mistakes resulting from incorrect purchasing specification by the requisitioning department present quite different problems because when the vendor has shipped items as specified on a purchase order, he has legally complied with his part of the contract with the College. The vendor is under no compulsion to take back for credit those items delivered as specified. A return, therefore, is time consuming and expensive to the vendor and to the College. Rectifying such errors after delivery has been made is likely to be extremely costly because of restocking charges, freight two ways, and in loss of vendor good will. The originating department will be responsible for any additional charges. The Purchasing Manager is available to assist the departments if this problem occurs.

- **Purchase Order approval schedule**

Approval of Purchase Requisitions normally requires 72 hours. In situations requiring more rapid approval, discuss the need and time requirements with the Accounts Payable Clerk.

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