Ball State University
Department: Purchasing
Policy: Purchase Order
Policy - PUR215

General

A purchase order ("PO") is an offer to purchase by the University, and acceptance is a legal commitment by the vendor to supply the University with goods and services. A regular purchase order is generally used for a one time purchase of known goods and/or services.

Purchase orders must include essential pieces of information such as, purchase order number, requisitioner name and location, delivery instructions, units of measure, costs of goods and/or services, terms and conditions of the order, and a description of goods and services ordered.

Ball State University is exempt from Indiana sales tax and therefore purchase orders are issued with this information in the PO Terms and Conditions. Terms and conditions are located on the back of the purchase order.

Procedures

- 1. Purchase orders are created by Purchasing Agents in the Purchasing office and can require electronic approvals by the Director of Purchasing, Finance, or Contracts & Grants Office. Purchase orders are viewed in the FRS Purchasing system on screens 220 -284.
- 2. Purchase orders can be issued with various types of conditions:
 - PO types are defined within the FRS Purchasing system and include Regular Orders, DPO (<u>PUR 220</u>), Standing Orders (<u>PUR230</u>), Confirming Orders, and Check with Orders. Selection of the PO type determines the type of invoice and receiving information that will be a condition for payment.
 - The system is designed for a 2-way match which is a purchase order designed to match an invoice and then permit payment generated by the FRS Accounting system. DPO's, standing orders, Confirming and Check with Orders are 2-way matches.
 - 3-way match is the regular purchase order and it requires the department user to enter the Receiving (<u>PUR250</u>) information into the FRS Purchasing system to initiate payment.
- 3. Purchase orders can be issued as a result of a requisition (PUR 205) or the results of a Request for Proposal solicitation ("RFP") or Public Works bid projects (PUR 285).
- 4. Purchase orders that are issued for new equipment and include the trade in of a piece of equipment currently owned by the University must have a B450 form submitted to the Purchasing Agent prior to the PO being issued. Trade in information needs to include model and serial numbers and BSU inventory numbers.
- 5. Purchase orders are a 3 part form that includes a vendor copy, departmental copy and receiving copy. Purchasing will mail or fax the vendor copy to the designated vendor address and will send through campus mail the departmental and receiving copies to the department listed on the PO.
- 6. Receiving information (<u>PUR250</u>) will be entered by the department user on the FRS Purchasing screens 230-239.
- 7. Change orders (<u>PUR235</u>) are initiated by the Purchasing Agent due to conditions in the purchase order that must be documented to allow for alterations or addendums to the original purchase order.

Prohibited Items: Purchase orders are not to be used for employee travel.

It is against the University policy for anyone to encumber the University for goods or services without processing the appropriate request to purchase and having an approved purchase order established.

Responsibility: Purchasing Department Finance Office

Other Departments Affected: All BSU departments

PUR 215