Purpose and Scope

Purchase Orders are the conveying document from either the UTD Purchasing Department or the General Services Commission to a vendor which forms a binding contract to both parties. Its preparation is based solely upon information provided on purchase requisitions submitted to Purchasing by requesting departments.

Authorization for payment of a Purchase Order is via an electronic Receiving Report typically created by Central Receiving and processed electronically in the UTD financial system.

Corrections on Purchase Orders

It is imperative that the requisitioner review his/her copy of the purchase order for accuracy as soon as it is received from the Purchasing Department. If a discrepancy exists between the purchase order and what was requested, notify Purchasing (Ext. 2300) immediately so corrective action may be taken.

Purchase Order Change Request

Purchase order change notices are issued by the Purchasing Department at the requisitioner's request to adjust the value of purchase orders or to otherwise alter or cancel an existing Purchase Order. Validity of the Change Request is left to the discretion of the Purchasing Department.

To initiate a Purchase Order Change Request, the requisitioner should

1. Prepare a Purchase Order Change Request (see Exhibit E9A) or send a memorandum with all pertinent information included.
2. Secure appropriate approvals (on Change Request or memorandum).

Purchasing will then notify the requisitioner and the supplier of the action taken (see Exhibit E9), noting the changes from the original purchase order.

Rejections and Cancellations of Purchase Order

When a requisitioner requests an order cancellation for any reason, a written request to that effect must be submitted to the Purchasing Department stating acceptable reasons for the cancellation or rejection.

If cancellation or rejection is necessary due to a vendor's negligence (non-delivery, unauthorized item substitution, etc.), his/her consent to cancel is not required and either the General Services Commission or UTD Purchasing will issue a cancellation notice (dependent upon funds used) upon request of the requisitioner. If cancellation is desired by the requisitioner which is not the result of vendor default, then the vendor's consent to cancel is required before the purchase order can be legally voided.

When the cancellation or rejection is approved by UTD Purchasing or the General Services Commission (depending upon funds used), cancellation notices will be sent to both the vendor and requisitioner. Only the General Services

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Commission or UTD Purchasing may cancel or issue rejections on purchasing orders.

**SPOT Purchase Order**

This type of purchase is for items with a total purchase order value of $25,000 or less to be paid from funds held by the State Treasurer (State funds). The order is processed at the local level and requires Purchasing to obtain a minimum of three (3) written or verbal bids, depending on order value, after receiving a properly completed purchase requisition from the requisitioner. The order (see Exhibit E5) is then awarded to the lowest and best bidder.

Under no circumstances shall a requisitioner divide larger requirements into less than $25,000 sections in order to avoid handling of a purchase requisition by the General Services Commission. Misuse or abuse of the Spot Purchase Order privilege can cause the General Services Commission to withdraw delegate purchase authority from UTD.

**Purchase Order Substitutions by a Vendor**

If a vendor is unable to supply merchandise originally contracted for, but offers to substitute products of equal quality for the same price, he must submit this request to UTD Purchasing or the General Services Commission, depending upon funds used to make the purchase. If the substitution is approved, the requisitioner will be notified.

When merchandise is received, the requisitioner should immediately inspect it for order specifications. If the requirements are not fully met, Purchasing should be immediately contacted and the order rejected by the requisitioner.

The Purchasing Department will promptly notify the vendor, both verbally and in writing, of the rejection and request immediate replacement with merchandise meeting specifications. If funds held by the State Treasurer were used, a copy of this notification will be forwarded to the General Services Commission for future reference.

**Updating Purchase Orders from Receiving Reports**

Purchasing obtains daily realtime electronic receiving information via the Financial Information System (FINS) from the Receiving Department indicating the merchandise has been received. The receiving information initiates payment and the lack of receiving information indicates a problem. (See Expediting Procedure, UTDBP3058.)

When a vendor delivers goods directly to a requisitioner, bypassing normal checks and balances, the receiving system, which keeps track of the status of purchase orders, becomes unbalanced. The requisitioner/account manager must notify the Receiving Department immediately. If not notified, the Accounts Payable Department cannot make payment and the Purchasing Department will initiate expediting procedures which are costly, time consuming and potentially embarrassing to the University.

**Policy History**

- Issued: 2000-03-28
- Editorial Amendments: 2015-01-16

**Policy Links**

- Permalink for this policy: [http://policy.utdallas.edu/utdbp3060](http://policy.utdallas.edu/utdbp3060)
- Link to PDF version: [http://policy.utdallas.edu/pdf/utdbp3060](http://policy.utdallas.edu/pdf/utdbp3060)
- Link to printable version: [http://policy.utdallas.edu/print/utdbp3060](http://policy.utdallas.edu/print/utdbp3060)