

103 PURCHASE ORDERS

I. **PURPOSE**

Establish the need for a purchase order when making purchases on behalf of the college and define the role of the department or unit requesting a purchase order. This policy also sets forth the review, approval, and amendment process for college purchase orders.

II. **DEFINITIONS**

Purchase Order is a purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction. It is a legal document and constitutes the vendor's authority to provide and invoice for the goods, services, or equipment specified therein.

Blanket Purchase Order is a type of purchase order designed to consolidate repetitive small purchases from a single supplier. It is essentially a form of open account which is limited in terms of the things which can be ordered, who can place the orders, the period for which it is to be open, and the total amount which can be ordered. Blanket Purchase Orders may not be used to purchase goods, supplies, or equipment through government grants, subawards, or contracts.

Rush or emergency purchase order is defined as an immediate need for a good or service, in which routine compliance with procurement practice is impractical and not in the college's best interest.

III. **POLICY**

A. **General**

- i. The purchase order (Regular) is the basic instrument for making single instance purchases. A purchase order provides for delivery by a specific date of listed goods, services, or equipment at a predetermined price and is subject to Oberlin College Terms and Conditions.
- ii. A purchase order is required for all goods, services, and equipment when a purchase card cannot be used.
- iii. Purchase order requests must be submitted, approved, and dispatched through ObieBuy.
- iv. Purchase orders must be issued prior to the shipment of a good or the delivery of a service. Vendors are not authorized to commence work prior to the receipt of an authorized purchase order. Invoices for goods, services, or equipment provided without an authorized purchase order require management review and approval prior to payment. The college is not obligated to pay invoices for goods, services, or equipment that has not been properly authorized.
- v. Ordering divisions/departments are responsible for verifying that purchased goods or services are received in proper condition and are in accordance with the terms of the official college purchase order terms and conditions. (See Policy 107 Receiving and Inspecting Purchased Goods.)

B. **Purchase Order Approval Requirements**

Purchase requests require the following approvals prior to a purchase order being dispatched:

Dollar Amount	Approvers	
Up to \$1,000	Level 1	Division Representative
\$1,001 – \$5,000	Level 2	Department Head

\$5,001– \$10,000	Level 3	Division Heads
\$10,001 – \$25,000	Level 4	Division Director
Purchases Over \$25,000	Level 5	Vice President for Finance and Administration

The purchase of certain items or services may require special steps and/or an additional approval from the appropriate responsible office before it can be issued as an official purchase order. When initiating the purchase requisition in ObieBuy, the appropriate Spend Category must be used so all appropriate automated approvals can be obtained.

C. Blanket Purchase Orders

Blanket Orders do not obligate college funds but allows the flexibility for order placement on as-needed basis for a specified period (no greater than 12 months). The blanket order defines the general product or service, total dollar limit for a specified period, and the transaction dollar limits for each order placement.

D. Rush or Emergency Purchase Orders

A rush or emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, or property, or to avoid undue additional cost to the college. Failure to act expeditiously exposes the college to risk of harm to persons or college property or when failure to act jeopardizes the learning environment.

In cases where an emergency occurs and the Procurement Department is closed or unavailable to assist, the department involved should proceed with the purchase and ensure Procurement is notified and the proper documentation is submitted in ObieBuy no later than the next business day.

E. Review Open Purchase Orders

- i. Department Heads must review all open purchase orders on a regular basis to determine if the good or service will be received or if the purchase order should be cancelled.
- ii. The Budget Director or designee must review purchase orders on a bi-annual basis to determine the status of all open encumbrances.

F. Purchase Order Amendments or Changes

- i. Requests to amend or change an approved purchase order dispatched to the vendor must be submitted through ObieBuy. Requests to close or cancel a purchase order should be made via the Change Order Form.
- ii. Ordering divisions/departments may not formally contact a supplier and authorize changes of a purchase order without having obtained a revised purchase order.
- iii. Any purchase order amendment must be agreed to in writing by all authorized parties prior to the amendment or change taking place.