

Benefits of Using a Purchase Order for Required Goods or Services

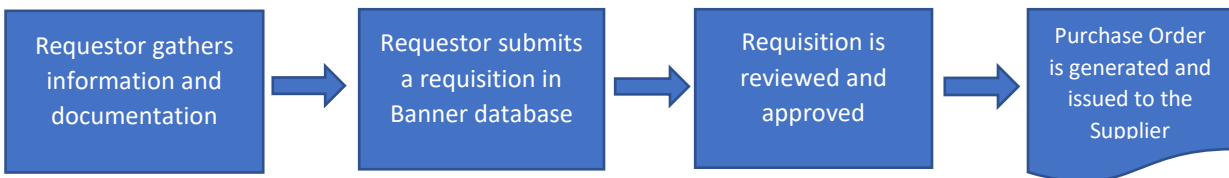
A Purchase Requisition is a department-generated internal source document required to initiate a Purchase Order. Purchase Requisitions include a description of the product or service, departmental requirements, corresponding funding and delivery instructions, and the required departmental and Procurement Banner approvals necessary to move forward with a purchase.

A Purchase Order is important to the University for numerous reasons. A Purchase Order creates a system of record in Banner where all documents associated with the purchase are stored in one location that can be efficiently retrieved at a later date for auditing/quality assurance and record keeping purposes.

A Purchase Order also provides the Requestor and their department with greater control, clarity, and protection in the purchasing process, helping to ensure their needs are met efficiently. The below chart outlines some of the many benefits to using a Purchase Order.

BENEFITS OF USING PURCHASE ORDERS	
University	Suppliers
<ul style="list-style-type: none">• Provides a clear record of goods or services ordered, order date, and price.• Creates a permanent electronic that can be used for accounting and auditing purposes.• Tracks order and spend history.	<ul style="list-style-type: none">• Provides a record of sale.• Provides a legal document• Evidence of an agreement in the event of a dispute.• Order fulfillment, tracks customer orders, and ensures that goods/services are delivered on time.

A Purchase Order is automatically generated in Banner based on the information provided by the Requestor during the Purchase Requisition process. Therefore, special care must be taken in submitting a detailed Purchase Requisition to ensure the Supplier receives a complete and accurate representation of the purchase being made. The flowchart below visually represents the overall process and relationship between Purchase Requisitions and Purchase Orders.



A fully executed contract does not necessarily eliminate the need for a Purchase Order. A Purchase order is an essential tool necessary for capturing the details of the purchase and enables the Requestor and their respective departments to manage the transaction more effectively. **Additionally, a Purchase Order contains terms and conditions which protect the University by ensuring expectations are understood by both parties.**

A Purchase Order should be issued prior to the commencement of work and/or the receipt of goods or services.

In the rare instance where a Purchase Order has not been issued prior to the commencement of work and/or the receipt of goods or services, University faculty and staff members should consult with the Purchasing Department. The Purchasing Department may, at its discretion, determine that a Purchase Order is required or that additional steps need to be taken to validate the transaction and ensure compliance.

After a Purchase Order is issued to a Supplier, the required goods or services deliver against its requirements. The Requestor and their responsible department staff members are responsible for the maintenance and management of a Purchase Order and ensuring there are proper funds allocated on the Purchase Order to cover payment to the Supplier.