

3PR PURCHASE ORDER SYSTEM

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

Category:	B. Financial/Administrative
Parent Policy:	B300 Supply of Goods and Services
Approval Date:	January 18, 2021
Effective Date:	January 18, 2021
Procedure Owner:	Chief Financial Officer and Director Business Services

Overview:	<p>Purchase Orders are used for the acquisition of items that are outside the scope of the B300-1PR Purchase Card System procedure. A signed Purchase Order represents a binding agreement with the supplier to provide the goods and services in accordance with the terms and conditions of the Purchase Order and associated documents.</p>
Procedures:	<ol style="list-style-type: none"> 1. REQUISITIONING PROCESS <ol style="list-style-type: none"> a. Department requesters, either themselves or through designated requisitioners, create and submit a Purchase Requisition for approval by a budget owner and, if required, by the Purchasing department. The Purchase Requisition clearly indicates the goods or services to be purchased or performed. Suppliers are selected from a list of approved suppliers. Any associated components (e.g. supplier quote, drawings, etc.) must be attached to the Purchase Requisition. The Purchase Requisition is the authorization to initiate the procurement process; it enables a Purchase Order and/or agreement/contract to be generated and provides the account number, cost center and project code to be entered into the financial accounting system. b. When a Purchase Requisition requires a new supplier, a "Request New Supplier" form within Fusion is selected. The form requires the supplier's legal name; the reason for the request; the type of organization; contact person with corresponding email address and the physical address to be completed for the request to be registered. Optional fields that would facilitate a quicker set up are supplier trading name, GST number, WCB information and banking information.

- c. Proposed purchases in excess purchasing thresholds outlined in [B300 – 3FORM Competitive Purchasing Threshold](#) are subject to a competitive process as outlined in [B300 – 5PR Competitive Purchasing Procedure](#).
- d. Budget owners and Purchasing will ensure that the Purchase Requisition is authorized according to Olds College policy and procedure. A signed Purchase Order to be distributed to the supplier will be issued by Purchasing on behalf of the end user.
- e. All purchases are subject to the College’s terms and conditions of Purchase Order.
- f. All acquisitions must be made in strict compliance with all sponsor terms and conditions and the College’s policies and procedures.
- g. In the case where a transaction under non-resident tax legislation and is subject to withholding of tax. In accordance with the provisions of the Income Tax Act (Canada), the College will withhold and submit 15% of the fees charged on each invoice for services performed in Canada by the non-resident unless the contractor obtains from Canada Revenue Agency a waiver or reduction in the amount to be withheld.
- h. Budget owners should ensure that Purchase Requisitions for computer hardware and software are routed for approval by Information Systems to ensure compatibility with the College’s existing network.
- i. The Purchase Order System may not be used for personal purchases.
- j. CAPITAL ASSETS
 - i. Refer to [B300 – 1AP Capital Asset Definition](#) to determine if the purchase being made is a capital purchase.
 - ii. It is the budget owner’s responsibility to ensure that the capital asset being purchased has been included in the capital budget or that an approved [B200 – 3FORM Budget Variance Approval Form](#) has been forwarded to Business Services.
 - iii. Capital purchases must be coded to the correct capital asset account so they can be identified and procedures can be followed to safeguard College assets. Capital accounts are included in the Chart of Accounts found on OC connect.
 - iv. If there is a question concerning whether a purchase is capital, the Controller – Business Services should be consulted.
 - v. If installation is required, the department should ensure that this is discussed with the Director, Campus Facilities prior to submission of the Purchase Requisition. Any installation costs are identified and considered prior to purchase and should be included in the Purchase Requisition.

2 RECEIPT OF GOODS AND SERVICES

- a. Each requester is responsible for receiving the goods and services that they requested. This also applies to instances where a requisitioner facilitated the creation of the Purchase Requisition on behalf of a requester.
- b. Requesters are required to confirm receipt of goods and services within Fusion once they are satisfied that goods and services have been satisfactorily received/rendered.
- c. Upon receipt of goods with freight charges, the requester is responsible to provide Accounts Payable clerks with the following information:
 - i. The waybill number;
 - ii. The freight company used;
 - iii. The date received;
 - iv. The value of the freight charges; and
 - v. The Alias (“speed code”) for the freight charges

3. CHANGES TO A PURCHASE ORDER

Any revisions/corrections to a Purchase Order (i.e. Change Order) must be completed within Fusion by referring to the original Purchase Order. The requestor is tasked with informing the supplier about the reason for the changed Purchase Order.

4. INVOICES RECEIVED WITHOUT A PURCHASE ORDER

All invoices require a Purchase Order and confirmation of receipt of goods and services before an invoice can be paid. To facilitate this, the following provides the procedure for an invoice received without a corresponding Purchase Order:

- a. When Accounts Payable clerks are unable to match invoices to Purchase Orders, due to a Purchase Order not being created/Purchase Order not being received/Purchase Order not matching the invoice, the Accounts Payable clerk will prepare and submit an *AP Initiated Invoice Action Request* KISSFLOW form with the attached invoice.
- b. When invoices are received directly by departments, departments will verify that an approved Purchase Order exists. If not, departments will create a Purchase Order within Fusion and complete and submit *the Fusion Purchase Order Invoice Submission* KISSFLOW form with the attached invoice.

Definitions:

Requester: Staff member who requires a purchase requisition be created in Fusion and responsible for receipt of goods and services within Fusion.

	<p>Requisitioner: Staff member who creates a requisition on behalf of a requester. The requisitioner assumes no responsibility for the requisition.</p>
<p>Related Information:</p>	<p>B300(1PR) Purchase Card System B300 – 1AP Capital Asset Definition B200 – 3FORM Budget Variance Approval Form</p>
<p>Review Period:</p>	<p>3 years</p>
<p>Revision History:</p>	<p>June 2014: New January 2021: Revision</p>