

# *Policies and Standards*

<i>SECTION:</i> <b>Purchasing</b>	<i>NO.</i> <b>3.11</b>		
<i>CHAPTER:</i> <b>Process</b>	<i>ISSUED:</i> <b>1993</b>	<i>REV. A</i> <b>11/00</b>	<i>REV. B</i> <b>02/07</b>
<i>POLICY:</i> <b>Purchase Orders – Change Orders</b>	<i>PAGE 1 OF 2</i>		

## **PURPOSE**

To define the process for changing an existing purchase order.

## **SCOPE**

This policy applies to all purchase order change orders.

## **POLICY**

Changes to purchase orders with a value of less than \$500 and a change to only quantity or price, may be requested verbally. Purchasing will record the name of the caller, the date of the request, and the change(s) to be made.

All purchase orders with a value greater than \$500 and all changes regarding specifications regardless of value shall be in writing.

## **PROCEDURES**

1. Prepare a change order form completing all sections that pertain to the requested change. Be sure to provide complete information.
2. Change orders are numbered sequentially by the financial system for each change to the original purchase order.
3. **Increasing an existing purchase order, changing an account distribution, or adding additional items will require the Controllers office approval.** Additional approvals may be required if the value of order substantially changes as outlined in Purchasing Policy 1.2 and in Controller's Policy APPL 02 Approval Level Requirements.
4. **Decreasing an existing purchase order, canceling a purchase order or final liquidation of the remaining purchase order balance does not require Controller's office approval and should be forwarded directly to Purchasing.**
5. **Note on cancellations.** In the event that a supplier has already begun production, shipped product or secured for delivery to the University a product that the supplier is not likely to sell within the supplier's normal scope of business, the University may accept supplier cancellation fees. These costs may include re-stocking fees, freight costs, or packaging charges incurred for returned goods.

## **ADMINISTRATION AND INTERPRETATIONS**

Questions regarding this policy or procedure should be directed to the Director of Purchasing.

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### **ADMENDMENT/TERMINATION OF THIS POLICY**

The University reserves the right to modify, amend, or terminate this policy at any time.