

Requisition, Receiving and Paying for Goods and Services
Operating Fund Procedure - FP2.3.00

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[SUBJECT](#)

Requisition, Receiving and Paying for Goods and Services

[INTENT](#)

To establish the routines necessary to provide for the Purchase of materials, goods and services, by University departments, for "receipt of goods" notification to Accounts Payable, for authorization of payment of supplier's invoices. This procedure will avoid the necessity of routing supplier's invoices, supported by Purchase Orders, to departments for approval and coding of charges and return to Accounts Payable Department for processing.

[SCOPE](#)

All purchases and/or rental of equipment, supplies, materials, goods, and services, other than those purchased by Systems Contract, the Library Book Purchase System, or where Purchase Requisitions are not required, as outlined in this procedure.

PROCEDURE

1. Purchase Order Requisition Requirements

- 1.1. The purchase order requisition authorizes purchase action by the University Purchasing Services Department. The purchase order requisition becomes a purchase order, when signed by an authorized member of Purchasing Services, and acts as a written contract between the University and supplier at the time of placing the purchase order.
- 1.2. A purchase order requisition is required for the procurement of all commodities and services from suppliers, except certain purchases which are of a utility of service nature as listed in [paragraph 1.3](#) of this procedure.
- 1.3. A purchase order requisition is not required for the following:
 - 1.3.1.
 - Freight and express charges
 - Contracted Labour
 - University Hospitality Services
 - Utility Services (Hydro, Water, Natural Gas)
 - Telephone and telegraph services
 - Travel Agency (airline tickets, etc.)
 - Petty Cash purchases (Ref. Financial Policy FI 4.0)
 - Books, periodicals and publications purchased through the Library Book Purchasing system
 - 1.3.2. Suppliers invoices, received by Accounts Payable Department, pertaining to items listed in [paragraph 1.3.1](#), with the exception of freight and express charges, will automatically be paid if under \$250.00. Authorization must be given to Accounts Payable in order to process invoices over this amount.
- 1.4. In certain instances due to the technical complexities or expertise required to select a commodity for purchase and/or rental, it may be advisable for the requisitioner to communicate directly with the vending firm. In such instances, copies of all correspondence and/or verbal information relating to the procurement must be forwarded to Purchasing Services with the requisition, prior to the purchase being confirmed.

Note: Library books, periodicals and publications should normally be purchased through the Library Book Purchasing system and will require a Library Request Form to be completed and forwarded to the Library for purchase.

Purchasing Services, through the application of accepted purchasing practices, will place the order with the appropriate supplier, ensuring that the terms and tax applications are proper. Should it be necessary to receive a commodity on campus for demonstration or on a trial basis, arrangements should be made by or in conjunction with Purchasing Services, who will assist the requisitioner in this regard.

The Purchase Requisition number is not to be quoted to suppliers.

1.5. In an extreme emergency, the requisitioning department may, upon contacting Purchasing Services prior to the purchase being confirmed, ask Purchasing Services to verbally place an order on their behalf or obtain a purchase order number verbally in order to permit the supplier to accept an order without first obtaining the written purchase order. When this occurs, the person obtaining the purchase order number shall, within two (2) working days, complete a purchase order requisition and forward same to Purchasing Services for processing.

1.5.1. Should the goods or services be received by the department prior to the completion of the purchase order requisition, the purchase order requisition will be plainly marked, in the body of the body form in Capitalized type,

"CONFIRMATION OF GOODS RECEIVED"

Note: Prior to the forwarding of the Purchase order to Purchasing Services, the fifth (green) copy will be signed to the effect that the goods or services have been received. ([paragraph 4.4.1](#)).

1.5.2. Should the commodity be ordered by verbal purchase order number, or by letter, or telegraph, and the goods or services not received at the time of completing the requisition, the requisition will be plainly marked in the body of the form in Capitalized type,

"CONFIRMATION OF (PHONE, LETTER, TELEGRAPH) ORDER, DO NOT DUPLICATE"

1.6. To simplify the procurement cycle for certain repetitive purchases from a single supplier under contract, a Systems Contract Purchasing routine is available to University requisitioning departments. (Ref. Financial Procedures 2.3.03).

2. Purchase Order Requisition - Preparation and Approval

- 2.1. The order requisition ([Purchase Requisition / 2-Part Form](#)) is a two-part form and may be obtained by the requisitioning department from the University stationery systems contract supplier.
- 2.2. The requisitioner will initiate a purchase order requisition form listing the commodities to be purchased. The form should be clearly legible (preferably typewritten) and must contain all the pertinent information called for in the unscreened areas, including the approval signature of the person having authority over the funds to which the charges will be made.
- 2.3. The coding of charges to the appropriate fund will be shown in the coding block of the purchase order requisition form and will be used to charge the designated fund upon payment to the supplier by the Accounts Payable Department.
- 2.4. Upon completion of the purchase order requisition form and after obtaining the Department approval signature, the sixth (goldenrod) copy will be removed from the form by the requisitioning department and the remaining five copies of the form forwarded intact to Purchasing Services for procurement action.
- 2.5. The Purchasing Department will assign a purchase order number to the requisition, source, edit, price, place and pre-commit the order to a selected supplier and return the third (buff) copy and the fifth (green) copy to the requisitioning department as verification that the order has been processed and pre-committed into the Financial System.
- 2.6. The requisitioning department will, upon receipt of the buff and green copies of the order from the purchasing department, file the buff copy with the goldenrod copy, and forward the green copy to the person delegated to receive the goods and/or services for the department. This person will sign the green copy and send to Accounts Payable to indicate approval to pay for goods or services.

3. Prepayment Requests from Suppliers

- 3.1. When a supplier requests that a deposit or prepayment be received with the purchase order, the supplier's request document will be attached to the purchase order requisition form by the requisitioning department, and the purchase order requisition plainly marked in capitalized type,

"REMITTANCE WITH ORDER"

- 3.2. The purchase order requisition will be forwarded, with the suppliers request for payment attached, to Purchasing Services in the normal manner as per [paragraph 2.4](#). Purchasing Services will prepare the necessary deposit or prepayment authorization documents.
- 3.3. Letters of credit, when applicable, will be arranged for by Purchasing Services in conjunction with the Revenue Control Manager.

4. Receipt of Commodities by Persons Delegated to Accept Shipments from Suppliers on Behalf of Departments

- 4.1. The department chair, to facilitate the recording of shipments from suppliers or carriers, may delegate a staff member to accept goods and services and sign delivery documents on behalf of the department. The fifth (green) copy of the purchase order will be forwarded to the person delegated, who will record the receipt of goods and/or services as outlined in [paragraph 4.4](#).
- 4.2. The fifth (green) copy of the purchase order will be used by the departments to notify the Accounts Payable Department of the commodities received as delivered by the supplier and will serve as authorization to the supplier's invoices.
- 4.3. The responsibility for ensuring that the receipt of goods or services is recorded on the fifth (green) copy of the purchase order rests with the person accepting the shipment from the supplier or carrier.
- 4.4. The recording of the receipt of goods or services, and notification to Accounts Payable Department.
 - 4.4.1. The fifth (green) copy of the purchase order is designed for the posting of receipts in columns on the right hand side of the form, opposite the items listed for purchase. A signature of the authorized person is required at the foot of each column, showing the count of goods received with each shipment from the supplier or carrier.
 - 4.4.2. For "PARTIAL" deliveries of items purchased, enter the current date at the head of the column, the quantity received of each commodity in the column under the date of receipt opposite the appropriate line item. Sign your name in the space provided at the foot of the column and photocopy the fifth (green) copy. Forward to the Accounts Payable Department for payment. The original green copy is to be retained for the recording of subsequent shipments.

This process will be repeated for each subsequent shipment until the order is completed, at which time, the green copy (original) is to be forwarded to the Accounts Payable Department as notification that the order is completed.

- 4.4.3. For "TOTAL" deliveries of items purchased, enter the current date at the head of the column, the quantity of each commodity received in the column under the date of receipt opposite the appropriate line item.

Sign in the space provided at the foot of the column.

- 4.4.4. The "tear off" strip at the top of the fifth (green) copy should be removed and filed with the departments (buff) copy to signify that the order has been received in full.
- 4.4.5. All courier and freight bills should be properly coded and forwarded to Accounts Payable immediately upon receipt. Accounts Payable will use your indicated coding for payment purposes. In the absence of the required coding and in view of the fact that the majority of these bills are relatively small in dollar value, Accounts Payable will use the following coding 790 Department # Program # Expense 305. Note: Program 75 for Academic Departments, 99 (or general code) for other departments.

5. Shipments of Goods Received by Mail, Personally Picked Up at Supplier's Premises by Department

5.1. It is the responsibility of the person accepting shipments by mail or delegated to pick up shipments of goods at the supplier's premises for the department, to record the receipt of goods on the fifth (green) copy of the purchase order. ([paragraph 4.3](#)).

5.2. C. O. D. Shipments

The University normally does not accept "Cash on Delivery" (C.O.D.) shipments from suppliers. However, should the exception arise, the following routine should be followed to arrange payment.

5.2.1. The Department should contact Purchasing Services, who will complete the necessary documentation to release the C.O.D. shipment to the department and notify the Accounts Payable Department of payment of the order.

6. Receipt of Goods or Services on Standing Purchase Orders from Suppliers

6.1. To facilitate purchases of certain commodities servicing of equipment contracts on a term basis, a standing order may be issued.

Standing orders must show a specific period of time:

"FROM _____ TO _____"

These orders may be issued to cover such items as:

6.1.1. Service contracts: (maintenance, cleaning, janitorial, other servicing).

6.1.2. Commodities to be shipped on an "as required basis" from the supplier.

6.2. Standing orders should be submitted on a purchase order requisition form.

6.3. Receipt of commodities or services rendered to requisitioning departments on Standing Orders must be recorded on the fifth (green) copy of the Purchase Order as in [paragraph 4.3](#). Should it be necessary to record more than seven shipments, a "quantity received" sticker should be placed over the original columns on the green receiver copy. Stickers are available from Stationery Stores.

7. Damaged Shipments, Shortages, Overages or Duplicated Shipments

7.1. Should a shipment of goods arrive in an apparent damaged condition, the Customs, Tax & Surplus Department must be notified by telephone immediately to obtain instructions prior to accepting, or signing for, the shipment.

The Customs, Tax & Surplus Department will arrange for immediate inspection of the apparent damaged shipment and instruct the requisitioning department as to the steps to be taken to assess damage, arrange for any inspection necessary, or arrange for the replacement if warranted.

7.2. Should concealed damage be established, after acceptance of a shipment, the Customs, Tax & Surplus Department is to be notified immediately that the damage is evident.

7.3. Shortages may occur between the number of packages delivered and the number of packages indicated on the packing list, carrier's delivery slip or way-bill.

In such cases, notify the Customs, Tax & Surplus Department immediately, the delivery slip or way-bill must not be signed until instructions are received from the Customs, Tax & Surplus Department, who will accept the responsibility to contact the carrier or supplier and either locate the missing packages or initiate a claim for the recovery of loss.

7.4. Short shipment of quantities occur when the package does not contain the quantity of items as indicated on the supplier's packing list.

Notify Purchasing Services immediately of any shortages, and Purchasing Services will accept the responsibility to contact the supplier to resolve the variance.

7.5. Over shipments or Duplicate Shipments should be reported to Purchasing Services immediately for the return of the excess quantity or duplicate shipment, as a charge to the department may be involved.

7.6. Return of materials for credit or replacement must be arranged through Purchasing Services.

7.7. Shipments of University materials, to suppliers for repair, or calibration service, or to other distant locations off campus, should be arranged through, or in conjunction with Purchasing Services.

Instruction as to the required documentation will be indicated to the department by Purchasing Services.

7.7.1. Information and documentation pertaining to the shipments of University materials may require:

- Routing arrangements
- Freight, Express, Cost estimates
- Export documentation and customs clearances
- Letters of credit
- Special Packaging and markings, etc.

8. [Amendments to Purchase Order Requisitions and/or Purchase Orders](#)

8.1. To facilitate correction or amendment of a Purchase Order Requisition and/or Purchase Order, where the original Purchase Order Requisition has been forwarded to Purchasing Services, the requisitioning department will contact Purchasing Services who will, when required, initiate and process an "Amended Purchase Order Requisition and/or Purchase Order".

8.1.1. Included in amendments are:

- Change of description of items
- Change of price (outside variance limits [paragraph 11.1](#))
- Additional items omitted on original purchase order
- Cancellation of item(s) ordered
- Cancellation of purchase order in its entirety
- make reference to original Purchase Order Requisition number

8.1.2. The amended Purchase Requisition and/or Purchase Order will be distributed as in [paragraph 2.4](#).

9. [Amendment to Coding Instructions](#)

9.1. In certain instances, where the distribution of charges of a Purchase Order Requisition needs to be amended after forwarding to Purchasing Services, a "Coding Change Notice" form will be completed, approved, and a copy forwarded to the Account Payable Department.

A separate coding change notice form is required for each purchase order.

9.2. Standing purchase orders are normally coded in the regular manner at the time of approval of the purchase requisition. However, in some instances, the requisition may indicate "Coding to be Advised."

Should this be the case, the regular coding slip (Ref. Financial Procedure 2.3.04) will be completed and attached to the photocopy of the (green) receiver after recording the receipt of goods or services thereon ([paragraph 4.3](#)).

10. [Authorization for Payment of Suppliers Invoices](#)

- 10.1. The authority for the expenditure from departmental, grant or other funds as coded in the coding block is given by the approval signature on the Purchase order.
- 10.2. The authority for the payment of the Supplier's invoice within the price, terms and conditions of the purchase order is given by the receipt of goods recorded on the fifth (green) receiving copy, or on a photocopy if a partial shipment, of the purchase order to which the invoice applies. Departments are encouraged to separate the Authorization of the Purchase Order from the Receipt of Goods, wherever possible.
- 10.3. Invoices received in Accounts Payable where a purchase order is not required ([paragraph 1.3](#)) will be forwarded directly to the department by the Accounts Payable Department for confirmation of the receipt of goods or services and for affixing a regular coding slip, completed as per coding slip instructions (Ref. Financial Procedure 2.3.04), then returned to the Accounts Payable Department for payment action.
- 10.4. Invoices received in Accounts Payable where a purchase order is normally required and under the value of \$100.00 will be forwarded by Accounts Payable to the requisitioning department for a coding slip to be affixed and returned for payment. Accounts Payable will forward a copy to Purchasing Services for any future action deemed necessary.

11. [Price Variances on Invoices](#)

- 11.1. Purchasing Services policy allows for a price variance of 10% or \$50.00 whichever is less in amount per line item to be processed for payment by the Accounts Payable Department.
- 11.2. Price variance of greater than 10% or \$50.00 will be adjusted by a debit memorandum and paid in the lesser amount with Purchasing Services, supplier and the department concerned being notified with a copy.
- 11.3. Sales tax variances will be cleared in conjunction with the Customs, Tax & Surplus Department.

12. [Supplier Invoices/Statements of Accounts](#)

- 12.1. All supplier invoices, statements of supplier accounts, received by requisitioning departments directly from suppliers should be forwarded immediately to the Accounts Payable Department.

Form: Purchase Requisition / 2-Part Form