

# **INSTITUTE FOR ADVANCED STUDY**

## **PURCHASE REQUISITION & PURCHASE ORDER POLICY**

**Original Effective Date: July 1, 2010**

**Revision Effective Date: July 1, 2018**

### **Policy Statement**

This policy provides guidance to faculty, staff and others with respect to the use of a Purchase Requisition to establish the request for goods and services for use by a school or department. The Purchase Requisition is converted to a Purchase Order after receiving the required approvals.

### **Reason for the Policy**

The policy ensures that those responsible for issuing requests for goods and services through the Institute financial system (NetSuite) understand the requirements and process for these requests. The policy is designed to maximize the efficiency and convenience of the purchasing process, consistent with good business practices and in full compliance with all applicable federal regulations.

### **Primary Guidance to Which This Policy Responds**

This policy responds to all applicable Federal procurement laws and regulations, including but not limited to the Federal Acquisition Regulation (FAR) and the Office of Management and Budget's Uniform Administrative Guidance.

### **Responsible Institute Office**

Purchasing Department – Procurement Services

### **Who Is Governed By This Policy**

This policy applies to everyone working at the Institute, or working on behalf of the Institute, who issues requests for goods and/or services.

### **Who Should Know This Policy**

All Institute employees or others responsible for any aspect of purchasing goods and services on behalf of the Institute should be familiar with and guided by this policy.

## **Policy Text**

### **Purchase Requisition**

A purchase requisition is a formal request to buy a good or service. Requisitions are documented and routed for approval within the Institute's Finance System (Nexonia and NetSuite). A purchase requisition typically contains supplier information, requested product or service information, catalog number, date, department, delivery information, and budget information. The requisition created in Nexonia generates a Purchase Order (after being provided the appropriate approvals as well as submission of supporting documentation) that is dispatched to the supplier. The information on the Purchase Order is used by the supplier to fulfill the order.

### **Purchases Requiring Requisitions:**

The issuance of a Purchase Requisition is required when the purchase request is greater than \$3,000, or when the supplier has requested the issuance of a formal Purchase Order.

### **Purchase Requisition are *not* required for:**

- Honoraria
- Utilities
- Food and Beverage Purchases (completed through Dining Services)
- Subscriptions
- Purchases for Office Supply and Maintenance Supply Inventories (Stockroom Purchases)
- Banking & Real Estate Transactions
- Professional Services (such as Legal or Consulting Fees covered by a contract agreement)
- Temporary staffing (completed through Office of Human Resources)
- Travel Reimbursements and direct payments to travel-related vendors

### **Required Elements of a Purchase Requisition**

- Vendor Name
- Vendor Address
- Description of Item
- Product Number if applicable
- Quantity
- Price
- Account Number and Department to Charge
- Attachments: Competitive Quotes if Purchase is >\$25,000

### **Requisition Process:**

#### **Lifecycle:**

1. Requisitions for certain categories require additional approval based on the following categories:
  - a. Restricted Products: hazardous materials, radioactive commodities, refrigeration, ethyl alcohol, lasers, etc. (Requires pre-approval of Chief Facilities Officer).
  - b. Vehicles and Photocopiers: (Requires pre-approval of Chief Administrative Operations Officer).
  - c. Executive Recruiters: (Requires pre-approval of Chief Human Resources Officer).
2. Requestor creates a requisition and submits documents that support the requisition into Nexonia.
3. The requisition automatically routes to the Departmental Approver for review and approval.
4. Requisitions are then reviewed and approved by the Purchasing Department before Purchase Order is dispatched to the supplier. Goods valued over \$25,000 require a second approval from the Chief Operating Officer as the final step before Purchase Order is dispatched to the supplier.

5. The Supplier delivers the goods and/or services to the receiving department and invoices the Institute.
6. The receiving department must register the receipt of goods in NetSuite before the invoice can be paid.

### **Purchase Order:**

A Purchase Order is a document, based on a requisition that is issued by the Institute's Purchasing Department, that indicates the type, description, quantity and agreed-upon price for a product or service. When accepted by the supplier it forms an agreement between the Institute and the supplier.

### **Delivery of Goods:**

All Purchase Orders created by the Institute for Advanced Study are subject to our TRUCK DELIVERY requirement. The requirement intentionally routes ALL trucks that are entering and exiting the campus to use MAXWELL LANE as the access route. MAXWELL LANE is a private road owned by the Institute for Advanced Study, and it intersects with MERCER ROAD. Vendors and trucking companies not complying with this requirement risk losing a business relationship with the Institute for Advanced Study.

### **Purchases of Capital Equipment:**

Capital equipment purchases, defined as equipment purchases greater than \$2,500, are the sole property of the Institute for Advanced Study, regardless of funding source.

### **Emergency Purchases:**

Whenever possible, goods purchases should always be purchased and delivered by the supplier to an approved Institute location. In the event an exceptional or emergency situation requires the purchased goods to be picked up directly by the requisitioner, a written pre-approval must be issued by the Chief Administrative Operations Officer. This written approval must be submitted as supporting documentation to the Receiving Department before the invoice can be paid. An email directly from the senior administrator to purchasing is also acceptable.