

Procedure 3201 PR.1
Purchase Requisitions and Purchase Orders
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1 – Purchasing Methods	1
When Is a Purchase Requisition Needed?	1
Contract Vendors	2
Purchasing Policies and Related Procedures	2
2 – Preparing and Submitting Purchase Requisitions.....	3
Web vs. Paper Requisition.....	3
Requisition Process.....	3
Required Information.....	4
Supporting Documents	4
Expenditure Item Date (EID).....	4
Required Approval	4
Prepayments.....	4
Record Retention	5
Commitments.....	5
3 – Purchase Orders.....	5
Review Your Purchase Orders.....	5
Changes to POs.....	5
Purchasing Contacts	5

1 – Purchasing Methods

When Is a Purchase Requisition Needed?

Use a purchase requisition when the purchase needs the involvement of a professional buyer in the Purchasing Department.

The purchase requisition provides the Purchasing buyer with the information necessary to select an appropriate vendor and negotiate pricing if the department has not already done so, and to create a purchase order. The purchase order is the formal offer to purchase from the vendor, and a legal commitment by the vendor to supply the University with the specified goods and services.

A purchase requisition is **required** (unless a purchasing card is used) for:

- purchases from contract vendors over \$5,000
- other purchases of goods and services over \$2,000
- agreements for services of external consultants and other professional service providers with total payments over \$25,000 (see Policy [3210](#)).

For purchases under these thresholds, a purchase requisition is not required. However you may choose to submit a purchase requisition even when not required, if you prefer to have a Purchasing Department buyer handle vendor selection and negotiation.

Recommended purchase methods by type of vendor and dollar amount are summarized in the table below.

Type of vendor	Dollar amount	Method
contract vendor	• up to \$5,000	<ul style="list-style-type: none"> • VIP order • University purchasing card
	• over \$5,000	<ul style="list-style-type: none"> • purchase requisition

non-contract vendor	• up to \$2,000	• University purchasing card • department order direct from vendor; payment via OK to pay invoice • miscellaneous goods up to \$200: petty cash
	• over \$2,000	• purchase requisition • University purchasing card if valid for over \$2,000
external consultant/ professional service provider (see Policy 3210 Contracting for External Consultants and Other Professional Services)	• total payments up to \$25,000	• department agreement with provider; payment via OK to pay invoice
	• total payments over \$25,000	• purchase requisition

For recommended purchase methods for specific commodities and services, see the [Purchasing Matrix](#).

For items subject to special safety or other regulatory requirements, special purchasing procedures must be followed. These restricted items include certain highly hazardous materials, safety-critical equipment, radioactive materials, vertebrate animals, controlled substances, and non-taxable ethyl alcohol. See Policy [3220](#) for more information.

For further guidance, contact the Purchasing Department at 432-9955.

Contract Vendors

University-wide contracts are long-term agreements negotiated with vendors by the Purchasing Department to obtain a combination of discounted pricing, quality and service. Use of contract vendors facilitates the purchasing process

- Each contract is associated with a product category
- Each contract has an associated expenditure type that is charged when a VIP number is used to make a purchase.
- Contract vendors that have more than one product category may also have more than one contract and expenditure type. When purchasing from a contract vendor, it is important to use the contract number that corresponds to the relevant expenditure type.
- University-wide contracts have no associated charging instructions, since they are used by many departments.

A list of current University-wide contract vendors is available at the [Procurement web site](#).

Department contracts are agreements negotiated by the Purchasing Department on behalf of individual departments.

Purchasing Policies and Related Procedures

Refer to the following University policies and related procedures:

- Policy [3201](#) General Purchasing Policy
- Policy [3205](#) Vendor Selection
- Policy [3210](#) Contracting for External Consultants and Other Professional Services
- Policy [3220](#) Purchases of Restricted Items
- Procedure [3201 PR.6](#) VIP Accounts
- Procedure [3205 PR.2](#) Bidding and Cost Analysis
- Procedure [3215 PR.1](#) Purchasing Cards.

See the [Procurement web site](#) for Purchasing news and updates.

2 – Preparing and Submitting Purchase Requisitions

Web vs. Paper Requisition

Web Requisitions:

Use of Web Requisitions creates electronic purchase requests and submits them directly to the appropriate buyer in Purchasing.

Use of Web Requisitions:

- decreases the need for paper forms and copies
- facilitates vendor selection by giving immediate access to the vendor database
- increases efficiency and accuracy by transferring requisition data directly to the purchase order
- gives look-up access to previous web requisitions created by the user.

To use Web Requisitions the department must designate a preparer and an approver, each of whom must complete a Web Requisitions training course. Sign up for training via [Xtrain](#). User passwords are issued during the course.

Paper Requisition:

In some circumstances departments may choose to use paper requisitions. For example, if the purchase involves extensive supporting documentation that must be submitted to the buyer, it may be preferable to attach the supporting documents to a paper requisition and submit the complete packet to Purchasing.

Paper purchase requisition forms are available from the [Quick Forms](#) web site. They require use of a transaction control number (TCN).

Requisition Process

The requisition process consists of the following:

Web Requisitions	Paper requisition
<ul style="list-style-type: none"> • Preparer enters and submits web requisition data, routing it to an approver. <ul style="list-style-type: none"> • To reorder a previously ordered item or service, preparer can copy an existing requisition into a new requisition, modify the information as needed, and submit. 	<ul style="list-style-type: none"> • Preparer enters requisition data in Excel version, or prints and manually completes form, and submits paper form to an approver. <ul style="list-style-type: none"> • Completed Excel form can be saved on preparer's computer for future reference. To reorder a previously ordered item or service, preparer can copy the saved requisition into a new requisition, obtain a new transaction control number, modify information as needed.
<ul style="list-style-type: none"> • Approver approves requisition on-line. Preparer receives e-mail notification of the approval. 	<ul style="list-style-type: none"> • Approver signs paper form.
<ul style="list-style-type: none"> • Approved requisitions are routed to a buyer. • Department submits paper supporting documents to Purchasing. 	<ul style="list-style-type: none"> • Department submits approved requisition and supporting documents to Purchasing.
Buyer reviews requisition, creates purchase order.	
Purchasing Department prints purchase order and distributes to vendor and requisitioning department (see Section 3).	

Required Information

The following information is needed to complete a purchase requisition:

- quantity and description or detailed specifications for the item or service to be purchased, including catalog number if applicable
- (optional) name and address of suggested or requested vendor
- delivery address
- date the item is needed by (expected delivery date) – see Expenditure Item Date below
- valid PTAEO(s) to which the purchase will be charged.

With Web Requisitions, PTAEOs are validated upon entry. Paper requisitions containing invalid PTAEOs will be rejected and returned for correction. You may want to use the [PTAEO validator](#) to check the PTAEO prior to entering it on a paper form.

Supporting Documents

1. If you are requesting a specific vendor that is not in the University's vendor database, you must complete and submit a **Vendor Setup Request** form. Obtain the form and instructions from the [Quick Forms](#) web site.
2. For purchases of \$2,000 or more, one of the following is required:
 - a record of any bids you have obtained, as required by policy (see Procedure [3205 PR.2](#) Bidding and Cost Analysis)
 - or
 - **Explanation for Sole/Single Source**, to justify purchases for which a vendor is selected without the normal bidding process, or to justify external consulting/professional service agreements involving payments over \$5,000 in a fiscal year. The **Explanation of Sole/Single Source** form is available from the Yale [Quick Forms](#) web site.

Clearly indicate the Web Requisitions number or paper requisition number (including the “R”) on each document. If using a paper requisition, attach documents to the requisition.

Submit all documents to: Purchasing Department, 155 Whitney Avenue, fax: 432-9966.

Expenditure Item Date (EID)

The Expenditure Item Date (EID) is used to validate the PTAEO for processing. (See Procedure [3101 PR.1](#) for more information.) The EID must fall within the project, task and award start and end dates.

For purchase requisitions, the **Need By** or **Date Required** field is used as the EID.

It is particularly important to pay attention to this date when charging expenses to projects or awards that are about to close, or have closed.

Required Approval

Requisitions must be authorized by a department administrator with budgetary authority before submission to the Purchasing Department.

The requisitioner and approver should not be the same person.

Requisitions over \$100,000 must be authorized by the department chair or director.

Prepayments

If a vendor requires prepayment of part or all of the purchase price, contact the Purchasing Department buyer who handles the commodity you are ordering. A list of buyers and associated commodities is available on the [Purchasing web site](#).

Record Retention

Departments must retain copies of paper requisitions and supporting documents in accordance with Policy [1105](#) Retention of University Financial Records, and the [retention schedule for Procurement documents](#).

Commitments

Submission of a purchase requisition generates a commitment in the Data Warehouse. When a matching invoice is paid, the commitment is automatically cleared. See Procedure [1201 PR.5](#) for more information.

3 – Purchase Orders

Review Your Purchase Orders

When the Purchasing Department converts your requisition into a purchase order (PO), it sends the original to the vendor and sends a copy to your department. As soon as you receive the PO copy, review it carefully and notify Purchasing promptly if there are any errors.

Each PO number has a 3-letter prefix that gives information about the order:

- 1st letter gives the purchase order type:
 - D** = department contract
 - U** = University-wide contract
 - Y** = standard purchase order
- 2nd letter indicates if invoice approval is required:
 - K** = yes, department OK required (always required for purchase orders over \$5,000)
 - N** = no
- 3rd letter shows the central office that issued the PO:
 - P** = Purchasing

Examples:

- A PO with a **YKP** prefix is a standard purchase order created by Purchasing that requires approval of invoices by the requisitioning department.
 - A PO with a **YNP** prefix is a standard purchase order created by Purchasing that does not require departmental approval of invoices before they are paid.
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Changes to POs

If you need to change a purchase order, either to correct an error or because additional items are needed, contact the buyer whose name appears on the purchase order. **Do not contact the vendor.**

Purchasing Contacts

Contact the buyer whose name appears on the purchase order - see contact list on the [Purchasing web site](#).

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.
