

COLORADO STATE UNIVERSITY

PURCHASING MANUAL

I. GENERAL

The large volume of forms, correspondence and related paperwork involved in the total purchasing function require timely processing by personnel in the Data Section of the Purchasing Department.

II. PURCHASE REQUISITION (PR)

- A. Initial receipt and distribution. When the PR is received from the ordering department the PR will be date/time stamped. The Supervising PA will forward the PR to the appropriate PA for processing.
- B. Formal legal review of PR. Formal legal review of the PR is required when a specific agreement that exceeds \$50,000 is attached to the PR. Forward the PR, Agreement and the Contract Acceptance form to the Contract Counsel.
- C. Returned from PA. After appropriate action, the PA will return the PR, annotated as necessary to the Data Section for Purchase Order preparation.
- D. Vendor data. All vendors are assigned a unique vendor number by the Data Section using the Financial Reporting System (FRS). An individual's name should not be used unless it is the official name of the vendor. Once the requisition is assigned a vendor the requisition is ready to be processed.
- E. Cancellation. If the ordering department or PA requests a PR cancellation, the Data Section will cancel the PR, update the PR log-in sheet and maintain file of cancelled PRs.
- F. Distribution of the PR. After preparation of the Purchase Order, the PR is attached to the brown copy of the PO and placed in the appropriate fiscal year's purchase order files. Documents are filed in alphabetical order by vendor name with the largest PO number to the front.

III. PURCHASE ORDER (PO).

- A. Numbering. POs are sequentially numbered. Special "blocks" of numbers are reserved for maintenance, open, and emergency (reserve) purchase orders.
- B. Funding. Most POs are single funded. If multiple funding on the PO is desired, additional funding information must be shown on the PR in accordance with paragraph III-J of Section PM-3 of the Purchasing Manual.

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Purple Copy To Central Receiving. Do not send any 2-way match POs to C/R. Also, when the “ship to” address is outside of Fort Collins, a pink receiving slip and a photocopy of the PO must be sent to the off-campus address. When the off-campus centers have received the merchandise they must complete the pink slip and send it to C/R for recording. Off-campus pink receiving slips do not apply to Colorado State Forest Service, Housing and Facilities Services.

Blue Copy To Department, plus any attachments.

Red Copy To Control Book to be filed numerically.

2. Special distribution for all other POs that don't fall in the “regular” PO distribution

- a. Prepayments. The Green and White copies of the PO must be sent to Accounts Payable on all prepayments. Prepayments will be made by Accounts Payable through standard payment procedures that may require up to two weeks for a check to be processed.
- b. Voided orders. Retain the Red copy of the PO, or fill out a “cancelled” sheet for any voided POs to be filed in the Control Book. State reason for void on that copy and destroy all other copies of the voided PO.
- c. Department Confirming. The Purple copy is retained in Purchasing.

E. Filing. The Brown copy of the PO is attached in front of the PR and filed in the Purchase Order file. All POs are filed alphabetically by vendor name.

IV. AUTHORIZATION FOR EXPENDITURE (AFE)

The Purchasing Department does not process AFEs. See Section PM-4 for department processing procedures.

V. RESERVE/EMERGENCY PURCHASE ORDER

A. Control. The PA will issue the next available Reserve PO number upon request by department. The PA will record the date, PR number, account number, department and vendor's name on the Reserve PO Number Log.

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- B. Preparation. When the PR is received from the ordering department, the pre-assigned reserve PO number must be noted on the front of the PR. After PA review, the Data Section will enter the PR into FRS and complete the PO process.

VI. OPEN PURCHASE ORDERS (OPEN PO)

- A. General. Open POs are used for the purchase of materials or services from one supplier, as needed, over a stated period of time. The PR for an open PO must be line-item funded and follow a specific format: Description of service/material; time period start and end dates; single order limit and total order limit; and a list of individuals authorized to request service/material deliver.

All invoices are sent by the vendor to A/P. A/P enters all invoices for payment in FRS. After the invoice is entered, A/P sends a photocopy of the invoice to the ordering department. If the ordering department has any problem with the invoice, they must respond to AP as soon as possible.

The ordering department maintains all receiving records. The Data Section will send a copy of the "Record of Delivery Request and Receipts on Open POs" form to the ordering department (except Housing and Facilities Management) with the Blue copy of the PO. Departments are not required to use this form, but it may be helpful to maintain records. Purchasing will close all Open Pos ending June 30th in FRS after year-end closing.

VII. DEPARTMENT CONFIRMING PURCHASE ORDERS (UNAUTHORIZED PURCHASES)

- A. General. Department Confirming Purchase Orders are unauthorized after-the-fact purchases.
- B. Preparation. The ordering department is required to submit a "department confirming" requisition to the Purchasing Department, with backup documentation explaining the unauthorized. Once the PA has reviewed and approved the PR, the Data Section will enter it into FRS to complete the PO process.

VIII. PURCHASE ORDERS FOR CONTRACTS, AGREEMENTS, LEASES, MAINTENANCE, ETC.

- A. General. All service-related POs will be entered in FRS using a special block of numbers for the PO number. The P3xxxxx series will be used on all service POs. All service POs are set up as a two-way match in FRS, which indicates that receiving is not required to release the invoice in AP.

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- B. Order Preparation. The Data Section will enter the PR referencing any contract or agreement. Once the POs are entered in FRS, the Data Section will distribute all copies of the PO.
- C. Filing. All service related POs are filed separate from non-service POs, first alphabetically then with the larger PO number to the front.

IX. ACKNOWLEDGMENTS

All acknowledgements are date/time stamped and given to the PA for review and disposition. On request, Data Section will attach acknowledgements to their POs to remain part of the permanent file.

X. CHANGE ORDERS

- A. Purchase Order Changes. A PO may be changed based on information received by the PA from the ordering department, Accounts Payable, vendor or Purchasing Department. The change may concern quantity, quality, item, cost, company (subsidiary) filling the order, etc. After reviewing the request, the PA may initiate a "Change Order." The Data Section will enter all Change Orders in FRS, and print and distribute them accordingly. See Section PM-3 paragraph 2-D for ordering department requirements to initiate a Change Order.
- B. Purchase Order Cancellation. Cancellation may be required because the vendor cannot meet the requirements of the PO, the department request cancellation, or for administrative purchasing reasons. A Change Order must be used to advise all concerned of a PO cancellation.
- C. Filing. Copies of the Change Order are filed with the Brown copy and the Red copy of the PO in the Purchasing Department.
- D. Change Order Distribution.

Green Copy	To Vendor
Brown Copy	To Accounts Payable
White Copy	To Purchasing Department
Purple Copy	To Central Receiving on three-way matches ONLY

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Blue Copy	To initiating department
Red Copy	To Purchasing Department Control Book filed in numerical order.

XI. REQUEST FOR ADJUSTMENT (RFA) FORM.

- A. Initial receipt. Upon initial receipt from Central Receiving, the RFA is given to the appropriate PA.
- B. RFA Processing. After review, the PA will sign and distribute the RFA. If a Change Order is applicable, the PA will forward the RFA and change order request to the Data Section for processing and distribution.
- C. Distribution. Completed RFAs are distributed one copy each to Central Receiving, Accounts Payable and Purchasing.
- D. Filing.
 - 1. Purchase Order RFAs. The Purchasing copy of the RFA is attached to the back of the PO and returned to the Purchase Order file.
 - 2. Basic document other than PO. If the RFA refers to a document other than a PO (a DPO, for example), or to a document with no PO reference, the RFA copy should be filed in a Special RFA file.

XII. INVITATION FOR BID (IFB)

Bidding for CSU requirements must be processed through the State of Colorado "BIDS" system

- A. Preparation
 - 1. PA prepares and issues bid on State of Colorado "BIDS" system.
- B. Receiving a sealed response from the Bidder.
 - 1. Date/time stamp IFBs immediately upon receipt.
 - 2. Log the date and time the bid was received in the Bid Log Book and file the bid in the "tickler file".

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3. Keep the tickler file cabinet locked and store key in a secure place.
4. Refer all questions relating to an IFB to the appropriate PA.
5. Late IFBs received:
 - a. Date/time stamped the late IFB.
 - b. Record the late bid in the Bid Log Book.
 - c. Give the late IFB to the PA for disposition. See Section 51, paragraph VI.B for disposition procedure.

XIII. RECEIVING REPORTS

All receiving reports for POs are maintained in Central Receiving. Receiving information is available in FRS on Screen 239.

XIV. FOLLOW-UP PROCEDURE ON POs

Follow-up will be done by PAs per special request from the requesting department.

XV. REQUIRED REPORTS

The Purchasing Department is responsible for submitting many different reports. All reports are prepared by the Office Manger and given to the Director of Purchasing. Monthly reports are:

- Division of Purchasing Statistical Information
- PO Summary
- Monthly Buyer Report - PO Activity Statistical Information
- Monthly Buyer Bid Activity Statistics
- Minority Vendor Reports
- Reports and Graphs of Purchasing and Central Receiving Activity
- Monthly "As Invoiced" Reports for Telecommunications
- Other Reports as requested by the Director of Purchasing.