1. **What is a Purchase Order?**
   A Purchase Order (PO) is a commitment voucher containing required University terms and conditions, prepared and approved by an authorized employee of the University for the purpose of encumbering funds and securing goods or services from a vendor. Once accepted by the vendor, a purchase order becomes a binding contract between the University and the vendor.

2. **What is an Automatic Purchase Order?**
   University departments are delegated the use of the Automatic Purchase Order (APO) for the purchase of goods and services totaling $10,000 or less when no University price agreement or catalog vendor exists for the goods or services required. APOs are created in the University's Kuali Financial System by creating a Requisition in the same manner as regular Purchase Orders.

   The APO may be used for services, equipment maintenance and one-time rentals under $10,000, ONLY if there is no written agreement requiring the University’s signature.

   When acquiring personal services (labor, time or effort that results in a desired outcome or deliverable) with an APO, it is the ordering department’s responsibility to ensure the vendor has the requisite insurance (i.e., general liability, worker’s compensation, employer’s liability, and auto liability coverages).

3. **What is an Open Purchase Order?**
   An Open Purchase Order (OPO) is a purchase order issued to a vendor, against which specified purchases may be made for a specified period of time. It is best to initiate an Open Purchase for estimated costs for the entire fiscal year. An Open Purchase Order should not be used for Shop Catalog vendors.

4. **What is a change order?**
   A change order is a request to add or delete goods and/or services on an existing purchase order.

5. **When is a change order required?**
   A change order to add goods and/or services to an existing PO should be requested prior to requesting additional goods/services from the vendor and an invoice being submitted to AP. The reason for this is a commitment is being made on behalf of the University for which limited personnel have the authority. Once an APO has been spent,
the requesting department must initiate a new requisition. Change orders will only be initiated on APOs when the change will cause the amount to exceed $10,000.

6. **How do I request a change order?**
   Contact the Purchasing Agent who issued the PO.

7. **Can I request to change an account number and/or object code on an existing PO?**
   No. Procurement Services is unable to amend an account number and/or object code on an existing PO. The reason for this is it could have changed the workflow approval routing of the document.

8. **How do I request a vendor name change to an existing PO?**
   Procurement is unable to change a vendor name on an existing PO. Please consult your Purchasing Agent for guidance.

9. **Can I request a change order to a (Shop) Catalog PO?**
   No. A Catalog PO cannot be amended. If you have an invoice for additional items, please submit a DV and reference the PO number.

10. **Who is responsible for APOs?**
    Procurement does not review APOs prior to issuance. The ordering department and its Fiscal Officer are fully responsible for all procurement requirements, including obtaining proper small-dollar documentation and review and approval of any written contract or term sheet by Procurement PRIOR TO ISSUANCE OF THE APO.

    Departments are responsible for the order, control and receipt of goods and services purchased with an APO.

11. **When is a Purchase Order required?**
    A PO is required for any purchase greater than $5,000.

12. **When is receiving required?**
    Receiving is required on any Quantity PO greater than $5,000.

13. **What is an unauthorized purchase?**
    An unauthorized purchase occurs when a department makes a purchase for more than $5,000 before a purchase order is issued. For example, authorizing a supplier to begin work before a purchase order is issued, even though the department has submitted a purchase requisition or obtaining goods or services on credit and subsequently submitting the invoice with a disbursement voucher. This an unauthorized purchase unless it is a purchase specifically allowed to be paid by disbursement voucher as set forth in the Colorado State University Financial Rules, 2.4 Exempt Transactions.
14. **What is a Disbursement Voucher?**
   A disbursement voucher (DV) is a payment request document used by an ordering department to initiate payment for goods and services totaling $5,000 or less per vendor per fiscal year. The DV is a check request document only and cannot be used in place of a contract or purchase order when one is required.

15. **I need to pay an international vendor on a PO, how do I do that?**
   A Purchase Order must be in place before a DV can be created by A/P or a department when wiring funds over $5000.00. Please note we do not wire money to US banks, those payments should be processed in a regular check run via electronic fund transfer-EFT (ACH). When the wire is processed, contact Procurement to have the monies disencumbered from the PO.

16. **How is a Purchase Order closed?**
   A/P can close a PO with a final invoice in hand when processing a PREQ. Please notify AP when to do so. A PO with a quantity will auto close when the PO has been fully spent. A PO with no quantity needs to be closed by contacting Procurement.