3.2.7 Purchase Order Corrections and Cancellations

Policy Statement
Purchase orders are legally binding contracts between the University and the vendor. As such, the purchase order must accurately reflect the goods/services purchased from the vendor. Once a purchase order has been issued and the department becomes aware of a discrepancy between the purchase order and the goods/services to be provided, the department should contact Procurement. In some cases, such as a purchase order based on a competitive bid, there are limitations on what changes can be made. Depending upon the situation, purchase orders may be revised to correct line item descriptions, pricing, quantities, and to add/remove line items. If the entire purchase is no longer needed, a purchase order may be canceled but departments should be aware that the terms and conditions may allow the vendor to charge a cancelation fee.

Once an order has been fully delivered, received, invoiced and paid, if there is a remaining obligation on the end users account, a revision is not needed to return the obligated funds to the appropriate account. Accounts Payable will return these funds to the account listed on the purchase order upon notification of final payment by the department.

Reason for policy
The purpose of this policy is to provide information to the campus community regarding when it is appropriate to modify a purchase order and how to proceed with requesting these changes.

Procedures
If a purchase order needs to be canceled or modified the end user/requisitioning department should add a comment in UGAmart to the Purchase Order requesting the change. The comment should be sent to the buyer responsible for the order (the responsible buyer can be determined by looking at the purchase order in UGAmart or by reviewing the contracts and commodities page on the Procurement website). Procurement will take appropriate action by issuing a revision in UGAmart.

Once final delivery, receipt, and payment have been made the department may request for remaining funds to be unencumbered by sending a comment in UGAmart to the appropriate contact person in Accounts Payable. The Accounts Payable website provides the names of staff members responsible for payments related to purchase orders.

The above procedure is not applicable to public works contracts.

Additional contacts
Accounts Payable 706-542-2786

Policy definitions
Purchase order correction: a change to an original purchase order. Within UGAmart a purchase order correction is referred to as a revision.

Responsibilities
Responsible University Senior Administrator: Vice President for Finance & Administration
Responsible University Administrator: Procurement Officer
Policy Owner: Procurement
Policy Contact: Annette Evans
Phone Number: 706-542-2361

Responsibilities: It is the responsibility of the end user/requisitioning department to notify Procurement if a change needs to be made to a purchase order or if the purchase order needs to be canceled.

Responsibilities: If a vendor contacts Procurement regarding a requested change, it is the responsibility of the Procurement Office to coordinate with the end user/requisitioning department to obtain approval prior to processing a revision to a purchase order.

Responsibilities: The Procurement Office staff is solely responsible for processing changes to purchase orders or canceling purchase orders. End users/requisitioning departments are not permitted to modify a purchase order within UGAmart.

Record Retention
Records may include but are not limited to: purchase requests; purchase orders; supplies, and services; and related documentation and correspondence.

Record Copy: Procurement

Retention for purchase order files may vary by the method of purchase (competitive, sole source, under the competitive bid threshold) and may vary by the products/services being purchased (construction, public works, products, services, etc.)

Retention: 5 years, BOR 0472-03-001; 7 years, BOR 072-03-009; 10 years after expiration or 7 years after expiration, BOR 0472-14-002

Related information
Date Reviewed: 02/01/2018

Policy Dates
Effective Date: 01/01/2016
Date Last Updated: 06/17/2016
Date of Last Review: 02/01/2018
Date of Approval:

Previous Version of Policy: