

BUSINESS OPERATIONS
ORDERING GOODS AND SERVICES (PURCHASE ORDERS)

Purchasing Regulations

The purchase order is the vehicle for encumbering accounts. All purchases require an approved purchase order in order for the invoice to be processed.

Purchases are initiated through the need for materials and services required to conduct budgeted departmental programs and projects. The purchase order serves as a purchase requisition until it is properly authorized.

All ordering of materials and services is initiated by department. A separate purchase order is to be completed for each vendor. Each item on the purchase order requires an account number. The following procedure is generally applicable to all purchasing and is required in order to process payments.

- A. The fivepart NJSBA purchase order, which is assigned a number by the computer, is to be used for all ordering. Each purchase order requires the name and address (including zip code) of the vendor, the date requisitioned, the delivery date requested, quantity requested, the manufacturer's name, model number, style, catalog and/or part number, unit pricing and total price. All purchase orders are to be as complete as possible in order to avoid mistakes. All purchase orders are to be entered directly to the accounting software program.
- B. Copies of the authorized Purchase Order will be distributed as follows:
1. White Copy sent to the vendor.
 2. Green Copy sent to the originator.
 3. Goldenrod Copy retained by the Finance and Operational Services Department for encumbering accounts.
- C. Canary and Pink Copies sent to the point of reception. (It is difficult to establish a uniform point of reception, as some materials are received in the Mail Room, some delivered at the reception desk and still others are received in the morning mail.) When the materials and/or services are received and the order is completed, both copies are to be marked received, noting the quantity, condition and date of the receipt. The canary copy is to be sent to the Finance and Operational Services Department to verify payment. The pink copy is to be retained as a receipt record at the point of reception. When the order is partially received, both copies are to be marked accordingly, noting the quantity, condition, and date of the receipt. The canary copy is to be sent to the Finance and Operational Services Department to be recorded on their goldenrod copy and returned to the reception point for future receipts on that purchase order.

Exceptions in the purchase order procedure are due to the many reception points and the type of purchases

GOVERNANCE & OPERATIONS

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initiated within the Association.

- A. **Emergency Expenditures** Expenditures for items which are necessitated due to emergency situations are not required to be encumbered in advance. Items determined to be classified as emergency expenditures

Purchasing Regulations (continued)

would be breakdowns of Association equipment, i.e., automobiles, printing equipment; heating/air conditioning, plumbing, etc.

- B. **Building Maintenance Expenditures** Advanced purchase orders are not required for purchase of utilities, heating fuel or other items required for the smooth operation of Associationowned property.

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