

COLLEGE OF MICRONESIA-FSM

ADMINISTRATIVE PROCEDURE No. 5302

Processing of Purchase Orders and Other Equivalent Documents

Date Adopted: 21-24 March 1994

Date Revised:

Date Reviewed: 22-24 March 2014

References: Memorandum re: Business Office Forms: Policies and Procedures, distributed at Campus Director's Meeting on December 4-5, 2000; Revised with approval from the Finance Committee in their August 12, 2002 meeting;
Memorandum from Comptroller to all Heads, re: Blanket Purchase Orders dated November 17, 1999;
Memorandum from Comptroller to all Heads re: Purchasing, dated April 23, 1996;
Memorandum from the President re: Revised Procedures for Local Purchase Orders, Letter Orders, and Check Signing, dated March 6, 1995;
Minutes of March 21-24, 1994, Board of Regents Meeting

Purchase Order (LPO)

1. Upon identification of the supplier/provider, a PO is prepared in at least two copies and signed by the Department Head concerned. The following points shall be considered:
 - Enter the complete information for each item to be purchased. For purchases of books and textbooks, the details of the items for purchase shall include the author or title of the item being ordered.
 - Indicate the discount and the estimated freight and tax, if any. Include this in the computation of the total amount to be paid.
 - Enter the department, division, or campus sub-account numbers in the space for Acct. No. The general ledger account number should be entered in the object class. Please refer to the Chart of Accounts for the appropriate code.
 - If appropriate, the total of the purchase order may be allocated to different account numbers. However in this case the approval and signature of the other department chair or division head shall be obtained and indicated in the form.
 - For Off-island purchases, the location where the items will be shipped to shall be specified including the shipping terms.
2. The PO shall be forwarded to the Business Office for the certification of availability of funds. The price quotations and the PCA shall be attached to the PO when the items for purchase are not ordinary office supplies or food items. For purchase of books and textbooks, the Supporting Documents required are

COLLEGE OF MICRONESIA-FSM

ADMINISTRATIVE PROCEDURE No. 5302

photocopies of catalogues and email messages from the vendor that include the cost for the items ordered.

3. The respective Vice Presidents or the Campus Directors shall approve the PO. In the case of the Vice Presidents and the Campus Directors, the President and the Vice President for Administration shall approve the same, respectively. For amounts exceeding \$10,000, the President shall approve the PO after the approval of the respective Vice Presidents.
4. The approved PO is assigned with the corresponding PO No. The approved PO is then encumbered. An encumbrance logbook is maintained at the Business Office classified according to major transactions. This logbook is used to monitor all encumbrances made.
5. The original copy will be returned to the requisitioning department. The approved PO is served/sent to the vendor.

Blanket Purchase Order (BPO)

The preparation and approving procedures for the BPO is the same as the PO, except that only one line item will appear. There will be no description other than Open Purchase Order or Blanket Purchase Order. The amount of the purchase order will be inserted into the total cost column and the amount will be entered at the bottom of the purchase or by the "Total \$".

The difference between an open purchase order and other purchase orders is that with a blanket or open purchase you may charge items up to the amount of the purchase order without submitting orders to the Business Office.