

**Controllers Office
Accounts Payable**

Payment of Limited Purchase Orders

To ensure prompt and efficient processing and payment of approved Limited Purchase Orders

POLICY

1. Limited Purchase Orders can be used to purchase material or services up to a limit of \$2,000. They may not be used for the purchase of furniture, printing services, specialty gases, or for maintenance on equipment.
2. Guidelines for departments when completing Limited Purchase Orders
 - Six digit index number and four digit account code must be entered.
 - Orders must be signed by the Financial Manager or an authorized signer.
 - Mail the Original (white copy) to the vendor, pink copy to the Purchasing Department, and forward the green copy to Accounts Payable. The blue copy should be retained in your files
 - If a telephone order is placed, please send the white copy to the vendor as soon as possible. Please note on this copy "CONFIRMING ORDER- DO NOT DUPLICATE".
 - Limited Purchase Orders should not be grouped to cover a transaction which exceeds the \$2000 limit.
 - If a vendor sends an invoice to your department, please forward the document to Accounts Payable.
 - Limited Purchase Orders are not automatically encumbered. If you would like have one of your staff members encumber your Limited Purchase Orders, please contact the Accounts Payable Supervisor at Ext. 84404 to establish the procedure.
3. Accounts Payable Procedures for Limited Purchase Orders When an invoice is received from a vendor, it is matched against the corresponding purchase order copy in our file.
 - If items on the invoice matches the items/dollar amounts listed on the purchase order, the purchase order will be paid within thirty days or the within the discount period.
 - If the invoice amount (excluding freight) exceeds the Limited Purchase Order amount by less than \$50, the invoice will be processed within thirty days or within the discount period.
 - If the invoice amount (excluding freight) exceeds the Limited Purchase Order amount by more than \$50, the department is notified that the invoice exceeds the Limited Purchase Order and informed that written authorization is needed to process the invoice.
 - If the items listed on the invoice do not match the items on the Limited Purchase Order, the department is notified that the invoice

includes item(s) not listed on the Limited Purchase Order and informed that written authorization is needed to process the invoice.

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