

Approval Date: June 21, 2010

Most Recent Editorial Date: August 8, 2012

Parent Policy: [Supply of Goods and Services Policy](#)

Purchase Order System Procedure

Office of Administrative Responsibility:	Supply Management Services
Approver:	Associate Vice-President (Finance & Supply Management Services)
Scope:	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

Contact for questions regarding this procedure:	SMS Customer Service 780-492-4668 customerservice@sms.ualberta.ca
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Overview

Purchase orders are used for the acquisition of higher dollar value items that cannot be made using the Corporate Purchasing Card, a Preferred Supplier Agreement or Low Dollar Purchasing System. A Purchase Order represents a binding agreement with the Supplier to provide the goods and services in accordance with the terms and conditions of the Purchase Order and associated documents.

Purpose

The purpose of this procedure is to outline the requirements for requisitioning goods and services that must be processed through a Purchase Order.

PROCEDURE

1. REQUISITIONING PROCESS

- a. Submit a completed Purchase Requisition to SMS clearly indicating the goods and services to be purchased and ensure that the supplier's legal name has been used. Any associated components (e.g. supplier quote, drawings, etc.) must be included with your Purchase Requisition. The Purchase Requisition is the authorization to initiate the procurement process; it enables a Purchase Order and/or Agreement/Contract to be generated and provides the speed code and account number to be entered into the financial accounting system.
- b. Proposed purchases in excess of the *Competitive Bid Thresholds* are subject to a competitive bid process as outlined in the *Competitive Bid Procedure*.
- c. SMS will issue a Purchase Order to the supplier on behalf of the end user.
- d. All purchases are subject to the University's terms and conditions of Purchase Order.

e. All acquisitions must be made in strict compliance with all sponsor terms and conditions and the University's policies and procedures.

f. Certain transactions may fall under the non-resident tax legislation and may be subject to withholding of tax. In accordance with the provisions of the *Income Tax Act* (Canada), the University will withhold and submit 15% of the fees charged on each invoice for services performed in Canada by the non-resident unless the contractor obtains from Canada Revenue Agency a waiver or reduction in the amount to be withheld.

2. CHANGES TO A PURCHASE ORDER

Any revisions/corrections to a Purchase Order must be done by way of a *Change Order Draft*.

3. PURCHASING AND SIGNING AUTHORITY

Requisitions must be requested only by authorized University employees in accordance with the *Signing Authority and Delegation of Signing Authority Policy – All Funds* and the *Signing Authority and Approval Procedure*.

4. EQUIPMENT ASSETS

The University requires units to track equipment assets with an acquisition value of \$5000 or greater and any portable items under \$5000 the unit deems necessary as prone to loss or theft. Refer to the *Asset – Equipment Register Procedure*.

DEFINITIONS

There are no definitions for this Procedure. [[▲Top](#)]

FORMS

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[Change Order Draft](#)

RELATED LINKS

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[Asset - Equipment Register Procedure](#) (UAPPOL)

[Competitive Bid Thresholds](#) (University of Alberta)

[Competitive Bid Procedure](#) (UAPPOL)

[Signing Authority and Approval Procedure](#) (UAPPOL)

[Signing Authority and Delegation of Signing Authority Policy – All Funds](#) (UAPPOL)