Purchase Order Requirements

Introduction
An official Purchase Order is the legal document that governs transactions and properly protects the department and University. The terms and conditions specify each party's rights and obligations.

Policy Statement
A Purchase Order is required for the purchase of goods or services in excess of $3,000, or:

- When the order requires review from another department, see the Restricted Purchases section below
- When the purchase will require multiple payments
- For Professional Services Agreements that are over $5,000
- The purchase of goods where the use of the P-Card is not permitted

Purchases Requiring Review, Restricted Purchases: The purchase or certain items or services may require special steps and/or an additional approval from the appropriate responsible office before it can be issued as an official Purchase Order. When initiating the Requisition, the appropriate Spend Category must be used so all appropriate automated approvals can be obtained. For reviews that are not handled through the Workday business process, obtain the approval prior to submitting the requisition. This applies to the following:

- Animals
- Catering (*Brown First*)
- Computer hardware, software and tech services
- External Copy and Printing & Design (*Brown First*)
- Facilities related work
- Hazardous Materials
- Leases and housing rentals
- Radioactive Materials
- Use of the Brown logo (Use of licensed supplier required. See *Code of Conduct for Licensees*)

Export Restricted Purchases: Items restricted by the International Traffic in Arms Regulations (ITAR) require special steps to define and record specific maintenance, use and storage procedures in a Technology Control Plan (TCP) and/or an export license. Anyone purchasing items restricted by ITAR must contact the Director of International Research Administration to complete the TCP process. Additional information is available at the export webpage.

Purchases Using Grant/Sponsored Project Funds. The purchase of products and services using grant funds also require the approval of Office of Sponsored Projects.

Definitions
Example: A Professional Services Agreement is a contracted to hire outside business or independent contractors to provide Professional and Consulting Services: Professional and Consulting Services are usually customized services that utilize specialized intellectual or creative expertise based on personal skills or ideas of an individual(s) that are provided for a fee, which may be determined individually with each customer for each service contract that is used.

Responsibilities
Department personnel: Department personnel who will be responsible for making purchases are
expected to:

1. Have appropriate security for their role, i.e., financial coordinator, cost center manager, grant manager, etc.
2. Have attended all associated training classes for those roles.*
3. Be familiar with Purchasing policies such as:
   1. How to appropriately handle purchases where a purchase order is not required
   2. How to appropriately handle PSA's using the templates developed with the Office of the General Counsel
   3. What to include as appropriate documentation for purchases. (For purchase of $5,000 - $25,000: Include at least one written quote with requisition)
   4. For purchases of $25,000 or more:
      1. Solicit bids, or
      2. Substantiate purchase using the Sole Source Memo, when appropriate.

Contact Purchasing Services with questions about Purchasing Procedures.

*Please visit the Workday website for information about the University’s Workday Financial System to learn more about roles and training for those who have financial responsibilities.

Procedures
The purchase of most goods and services from outside suppliers begins with the initiation of a Requisition in Workday. This should occur at the time the product or service needs to be ordered, not when it is time to pay for the product or service.

Related Policies Policy for Hiring Consultants and Independent Contractors
Policy Owner Approved by Associate Director, Insurance & Purchasing Services
Contact(s)
Raymond Stewart
Associate Director, Insurance & Purchasing Services
Raymond_Stewart@brown.edu
401-863-1719

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