

TEXAS A&M UNIVERSITY-KINGSVILLE

Title: Limited Purchase Orders

Procedure No.: PP-140

Date: 6/5/96

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I. Purpose

To define, establish criteria for use, and provide instructions for using Limited purchase orders.

II. Scope

This procedure applies University wide.

III. Definition and Use

A Limited purchase order is the same as any other purchase order in that when properly filled out and signed by an authorized Buyer It commits University funds for the procurement of goods and services necessary for University operations. There are several basic differences in the uses of Limited purchase orders, however.

A. Limited purchase orders are primarily intended as a means of expediting the acquisition of goods and services to departments where the more normal purchasing procedures might result in significant operational delays. They are to be used only when the department requires their use and not as a means of circumventing standard purchasing procedures.

B. Limited purchase order numbers are created through the FAMIS Purchasing Module. Only persons trained and authorized to use the FAMIS Limited P.O. screens may issue Limited P.O.s. The Limited P.O. number (L(FY#)NNNNN) is the number by which all phases of the transaction shall be identified

C. It is the responsibility of the individual whom enters the Limited purchase orders to ensure that they are properly used and that they are used only for legitimate University acquisitions. It is also his/her responsibility to ensure that the use of any Limited purchase order is properly recorded and that the invoices will be properly processed.

IV. Restrictions

The Limited Purchase Order may not be used to order items that are available through State Term Contracts or the Storeroom. Limited Purchase Orders may not be used to order Capitalized Equipment (equipment costing more than \$5,000) or for services performed on the campus. HEAF funds may not be used on Limited P.O.s. If the Limited Purchase Order is used for the purchase of printing, the order must be supported by three bids.

IV. Documentation

Each Limited Purchase Order will be supported by the Limited Purchase Order Form. The form must be signed by the account manager. The Department will maintain a file with the approved Limited Purchase Order forms and copies of related documents (invoices and bills of lading).

V. Completing the Limited P.O. Form

The Limited P.O. Form is to be completed as follows. (Use the attached annotated form as reference.)

- (1) Enter the Limited P.O. Number. This number is created by FAMIS. It will be the last item entered on the P.O. Only persons authorized and trained in FAMIS Limited P.O. entry may access this number.
- (2) Enter the account number. Each Line Item may be charged to a different account. If multiple accounts are used, enter each account number and their representative dollar portion of the total P.O. on this line.
- (3) Enter the Vendor's Tax Identification Number or the FAMIS Payee Number.
- (4) Enter the Vendor's Name and Address.
- (5) Enter address to which the goods are to be delivered. This may be the department's physical address.
- (6) Enter the date the P.O. was created.
- (7) Enter the name of the vendor's representative that quoted the price.
- (8) All orders must be shipped FOB destination. They may be shipped FOB destination Freight Prepaid and Added to Invoice.
- (9) We cannot accept terms less than 30 days. Discounted terms (i.e. 3/10Net30) are acceptable so long as the net is 30.
- (10) Enter the line item number. The first item listed is always Item No. 1. The second item listed is Item No. 2. These must correlate to the FAMIS item numbers. **Note:** If Freight is being charged and the Freight amount is known, it should be entered as the last line item.
- (11) Enter a short Description of the item. The description must include the noun name and may also include a part number.
- (12) This area is reserved for Receiving annotations. As items are received, this column should be used to annotate the date and quantities received.
- (13) Enter the amount entered. The Quantity X Unit Price must equal Extended Price. The Quantity must agree with the Unit Measure.
- (14) Enter the Unit of Measure. The Description, Unit of Measure, Quantity, and Unit Price Must Agree. See Preparation of Requisitions, Procedure No. PP-160 for a complete list of standard Units of Measure. The most common Units of Measure are: Each (Ea), M (for 1000), C (for 100), and Lot. Other common Units of Measure may be: Box (Bx), Carton (Ctn), and Package (Pkg).
- (15) Enter the Unit Price. The Quantity X Unit Price must equal Extended Price.
- (16) Enter the Extended Price. This is the total amount paid for the Line Item. The Quantity X Unit Price must equal Extended Price. The Extended Price must agree with the FAMIS Extended Price. When properly filled out, an experienced user should be able to make a sentence from Description, Quantity, Unit of Measure, Unit Price and Extended

Price that would read something like this **“We are ordering 2 (quantity) cases (unit of measure) of the 12 ounce cans of black spray paint sold at 24 cans per case (description) with a price of \$46.30 per case (unit price) for a total of \$92.60 (extended price)”**.

- (17) Enter the Total Price. This is the Sum of the Line Item totals (Extended Prices). The Total Price must agree with the FAMIS total.
- (18) The User or Requestor must sign. Usually, this is the person that originates the Limited P.O. request. Items 7 through 18 are usually completed by the User/Requestor.
- (19) The Account Manager must sign the Limited P.O. It must be signed before the Enterer enters the P.O. into the FAMIS system.

Types of Purchases Authorized with Limited Purchase Orders

Characteristics:

Consumable

Quick Delivery

Full Shipment (all items received and invoiced at once)

Will Call or Pickup

Examples:

VWR Scientific Contract Items

Auto Supply

Conference Registration

Minor Catalog Supplies

Reimbursement to Employee (purchases greater than Petty Cash Limit with prior authorization)

Books

Subscriptions

Types of Purchases Prohibited with Limited Purchase Orders

Capital Equipment (equipment costing \$5,000.00 or more)

Controlled Equipment

- Firearms
- Cash Registers
- Fax Machines, Cameras, VCRs/Televisions, Printers, Stereo Equipment, Projectors, Microcomputers > \$500.00

Items available through State Contract

Items available through Stores

Food

Printing (State Constitution requires bids on all printing purchases)

Individual Travel Services

Purchases > \$5,000.00



LIMITED PURCHASE ORDER

(NOT TO EXCEED \$2,000)

TEXAS A&M UNIVERSITY-KINGSVILLE

Office of Procurement & General Services
 MAIL STOP 104, KINGSVILLE, TEXAS 78363
 PHONE 512-593-3814 FAX 512-593-2719

The following number must appear on all related correspondence, shipping papers, and invoices:

P.O. NUMBER _____ (1) _____

Acct No.: _____ (2) _____

To: TIN No. _____ (3) _____

(4)

Ship To:

Texas A&M University-Kingsville
 (5)

Kingsville, Texas 78363

P.O. DATE	VENDOR REP	SHIP VIA	F.O.B. POINT	TERMS
(6)	(7)	(8)	(9) Destination	(10) Net 30

ITEM	DESCRIPTION	REC	QTY	U/M	UNIT PRICE	EXTN
(10)	(11)	(12)	(13)	(14)	(15)	(16)
TOTAL						(17)

- Please send two copies of your invoice.
- Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
- Please notify us immediately if you are unable to ship as specified.
- PREPAY FREIGHT** and add to invoice unless quoted F.O.B. Kingsville.
- Send all correspondence to:
TEXAS A&M UNIVERSITY-KINGSVILLE
CAMPUS BOX 104
KINGSVILLE, TEXAS 78363
512-593.3814; Fax 512-593-2719

STATE SALES TAX EXEMPTION CERTIFICATE- The undersigned claims exemption from taxes under Chapter 20, Title 122A, Revised Civil Statutes of Texas, for purchase of tangible personal property described in this numbered order, purchased from contractor and/or shipper listed above, as the property is being secured for the exclusive use of the State of Texas.

Terms and Conditions of the University and the State of Texas shall prevail.

 Requested by (18)

 Authorized by (19)