



UNIVERSITY of WISCONSIN

GREEN BAY

Purchasing Policy and Procedure Number PPP 11

Change and Cancellation Orders (External) Dated: 11/01/2004

POLICY

Purchasing is responsible for issuing change/cancellation orders that modify existing purchase orders by request of the user department.

1. A change order is issued :

- To add or delete an item(s) to a purchase order.
- To change term dates on blanket/contract order.
- To change the description of an item(s).
- To change item(s)/ price(s) if the order total changes by \$100 or more.
- Per vendor request with consultation of user department.

2. A change order is NOT issued to:

- Modify the accounting code (fund, account, division, department, activity, or class).
- Modify the encumbered dollar amount on blanket or contract order.
- Add items or change pricing if the increase is less than \$100. (These are internal changes only. Vendor does not receive a copy of revised purchase order.)

3. A cancellation order is issued:

- When the vendor cannot provide product
- By request of department when item(s) are no longer required.
- When funds are no longer available.
- To change vendors.

4. A cancellation order is NOT issued:

- When a change order is appropriate (see above)

PROCEDURE

1. Deleting Item(s): The department should e-mail or send an intercampus memo to Purchasing. Indicate the purchase order number, the item(s) to be deleted, and the reason for the deletion (e.g., no longer needed, too long for delivery). Purchasing will review and issue a change/cancellation order to notify the vendor and Central Receiving; the department will receive a copy of the change/cancellation order. Purchasing will only change the encumbrance if the order amount changes by \$100 or more or when vendor requires it.

2. Adding new items or increasing item(s) quantity: The department MAY request the vendor to add a new item(s) to the order or to increase the quantity of an original item(s) if: it adds LESS than \$100 to the order total, the item(s) fits within the class code of the order, and the vendor does NOT require a change order. If the order total increases by more than \$100 or the vendor requires a change order, the department should e-mail or send a memo to Purchasing. Indicate the purchase order number, the item(s) and/or quantity to be added to the order, and the reason for the addition(s). Purchasing will review and issue a change order to notify the vendor. Central Receiving and the ordering department will receive a copy of the change order. Purchasing will change the encumbrance if the order amount changes by \$100 or more.

3. Exchanging items received: The department should contact the vendor for return instructions, regardless of the dollar value. Most vendors require that a return authorization number be issued before they will accept return of product. (See PPP #13 Return Material Process)

4. Increasing or decreasing item(s) price: Purchasing will review price change(s) and may issue a change order to the vendor if appropriate. If issued, Central Receiving and the department will receive a copy of the change order. Encumbrance changes of \$100 or more will be made by Purchasing and will appear in WISDM.

5. Cancellation: The department should e-mail or send an intercampus memo to Purchasing. Indicate the purchase order number and the specific reason(s) for cancellation. Purchasing will review or discuss with the department contact person and determine if the cancellation is appropriate. A cancellation order will be issued to notify the vendor and Central Receiving. Purchasing will cancel the encumbrance. The ordering department will receive a copy of the cancellation order.

PROCEDURES FOR EXTERNAL BLANKET, OR CONTRACT BLANKET ORDERS

1. Changing the ending date: (Due date on the Schedule Panel in PeopleSoft): The department should send an email to Purchasing, stating the new dates that apply to the blanket order. NOTE: The blanket order cannot exceed 12 months. The ending date on all blanket orders should not exceed 6/25/200X. Include the original order number, and type "date change" in the memo subject area. Purchasing will issue a change order to notify the vendor. The department will receive a copy of the change order.

2. Increasing or decreasing the encumbrance: The department should prepare a memo or email indicating the desired dollar amount to be encumbered. Reference the original order number, and state whether it is an ADDITION or REDUCTION. The department can verify an encumbrance change in WISDM. Purchasing will not issue a change order unless the vendor requests it.

3. Adding or deleting items: Before ordering any new item(s), the department MUST e-mail or send a memo to Purchasing indicating the Purchase Order number and the items to be added or deleted from the order. Any added item(s) must fall within the class code description of the original order. Purchasing will issue a change order to notify the vendor. Central Receiving and the department will receive a copy of the change order.

4. Exchanging items received: The department is responsible for returning the item(s) and ensuring that credit has been received. A change order is not required for replacement item(s).

5. Cancellation: Cancellations can be processed:

- BEFORE any items have been received.
- AFTER all payments that have been made for items received, appear in WISDM.
- At least 60 days PRIOR to the ending date of the blanket type order.

The department should e-mail or send a memo to Purchasing. Indicate the Purchase Order number and the specific reasons for cancellation. Purchasing will issue the cancellation order to notify the vendor. The department and Central Receiving will receive a copy of the cancellation order. Purchasing will take appropriate action in regard to the encumbrance.

If you have any questions regarding change or cancellation orders, please contact Purchasing at x2598.