

Purchase Order Practices & Execution FAQ

FAQ

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PO Best Practices

Where to Start

Q: Where can I go for help the first time I need a Purchase Order?

A: An overview of the purchase order process can be found in procedure [3201 PR.01 Purchase Order Process](#). A [Purchase Order Quick Reference Guide](#) is created to help you navigate this process.

In addition, the **Procurement Toolkit** [Requisition to Purchase Order](#) provides a **step-by-step aide and links to all relevant training guides and tools**.

Q: What is the difference between a purchase requisition and a purchase order?

A: A purchase requisition is Yale's internal document which initiates the purchase of goods and services in Workday. When the purchase requisition approval process in Workday is completed, a purchase order is automatically generated and sent to the supplier.

A purchase order is an offer made by the University to a supplier to purchase goods and/or services according to certain terms and conditions. When the supplier accepts the purchase order, a legally binding contract is formed.

Freight

Q: What is considered a "significant" freight cost?

A: Freight cost can vary widely and may have a different meaning for a department, depending on its budget. Generally, freight cost over \$1,000 is considered significant.

Q: How do we know if the freight is required to be on the PO?

A: Yale does not require the freight cost to be on the PO. If the supplier requires the freight cost to be on the PO, it should be entered as a separate goods line. If the supplier does not require the freight cost to be on the PO, it should not be included in the requisition in Workday.

Advanced Payments

Q: What is best practice to handle deposits/advanced payments?

A: Advance payments should only be made in limited circumstances (e.g., when the supplier will incur significant costs prior to beginning work). All deposits, down payments, and prepayments ≥ \$25,000 require Procurement’s approval.

An advance payment or an installment payment should be entered as a separate goods line to match the agreement/quote. This also applies to Capital Equipment purchases.

Note: Advance payments should not be separated from the rest of the transaction, regardless of the purchasing method (Purchase Requisition or PCard). This could be flagged as transaction splitting which is not permitted per policy [3201 General Purchasing | Prohibition on Transaction Splitting](#).

Q: What should we do if a supplier requires a deposit/advanced payment to be paid with different payment terms (e.g., upon receipt)?

A: Avoid altering payment terms unless absolutely necessary and justified by the supplier.

To accommodate a deposit with different payment terms than the rest of the PO:

- Use requisition type that requires Invoice Review
- Ensure that the deposit is entered as a separate goods line on the requisition
- Ensure that the invoice clearly states: For DEPOSIT, to be PAID UPON RECEIPT
- Review invoice in Workday: “Add Approver” → Choose the AP Specialist Group → Check all the names within that group (total of 6) → Add comment in comment box “For DEPOSIT, to be PAID UPON RECEIPT”

Multi-year Contracts

Q: Can I have one PO for a multi-year services contract?

A: Yes, you can have one PO for multi-year services contract. However, the funding source for your purchase may have limits on multi-year services contracts, requiring you instead to use a new PO for each year of the contract.

Additional information about multi-year services purchases can be found in 3201 PR.01 Purchase Order Process, under section [Purchases with Multi-Year Terms](#).

One Requisition for Multiple Suppliers

Q: Can I issue a single requisition to multiple suppliers?

A: Creating one requisition for multiple suppliers is primarily used for Catalog goods purchases. Catalog and non-catalog items can be combined on the same requisition. Workday will issue **multiple separate POs** to each supplier.

Note: If a requisition to multiple suppliers contains an attachment, the system will not allow you to proceed. This is a measure to prevent all suppliers from receiving the attachment.

Q: Can I issue a single requisition to multiple suppliers for goods and services?

A: Combining goods and services purchased from different suppliers on a single requisition should be avoided. It creates complexities that could result in errors.

Change Orders

Q: When would it be best practice to issue a Change Order to an existing PO instead of generating a new PO?

- Adding to the original scope.
- Extending the time and/or funds to complete the original scope.
- Changing charging instructions (except for goods lines with invoice activity)

Note: Change Orders are NOT sent to the suppliers from Workday.

It is the responsibility of the Requestor to document the changes to the original contract/PO and to communicate the changes to the Supplier. To request a copy of the updated supplier PO, reach out to Ask Finance at askfinance@yale.edu. Include the supplier name and PO number in your request.

Q: Can we use the Save for Later option when creating a change order?

A: Once you begin a change order request in Workday, progress cannot be saved. If you do not have all required information or cannot complete the change request, cancel it and create a new change request when ready.

Q: How do I cancel a change request I have previously created for my PO?

A: To cancel a pending unapproved change order, contact Procurement through the [Purchasing Intake Portal](#).

New POs vs Change Orders

Q: When is it appropriate to create a new PO instead of issuing a Change Order?

A: A new PO is appropriate when:

- New scope is added (the supplier will deliver different goods/services).
- Significant change is made to the original scope.
- The original contract or scope has ended.
- It is required by the funding source (typically sponsored awards with requirements for annual PO(s) or matching of grant dates).
- The COAs change frequently and inconsistently.
- It is required by the supplier.

Closing POs

Q : How do I close a PO?

A: A request for closing a purchase order can be submitted through the [Purchasing Intake Portal](#). Up to 50 purchase orders can be closed at once.

Payment Terms

Q: My supplier is pushing back on our Net 45 payment terms. Is it possible to change the payment terms?

A: Yale's Standard Payment Terms for suppliers are Net 45 however there're certain exceptions as outlined in [3401.3 Standard Payment Terms](#). Reach out to Procurement for assistance with payment terms negotiation.

Other PO Questions

Q: How does my supplier receive the PO?

The PO distribution method (e.g., email or fax) is selected by the supplier during the supplier setup process.

Note: Suppliers do not receive change orders.

Q: What if the supplier states that they have not received the PO?

A: Requisitioners should check the supplier's information in Workday to ensure that the PO distribution method is correct.

Q: Is there a list of suppliers that have Master Service Agreements in place with the University?

A: The [University Buying Guide](#) provides a list of university preferred suppliers with university-wide Master Agreements. If you have questions about a particular supplier, please reach out to Procurement through the [Purchasing Intake Portal](#).

Q: Is the PO Management Dashboard available only to the Business Office?

A: The PO Management Dashboard was developed in Workday to simplify and improve the management of POs. Anyone with the appropriate access rights/roles to view POs (e.g., Cost Center Financial Analyst, Cost Center P2P Inquiry, and Cost Center P2P PO Specialist) can use this dashboard and its reports to identify trends, supplier differences, and overall outliers. Additional information about the PO Management Dashboard can be found in the [PO Management Dashboard Tipsheet](#).

Q: How do I get someone a copy of an existing purchase order when they were not the one who created it?

A: To request a copy of the supplier PO, reach out to Ask Finance at askfinance@yale.edu. Include the supplier name and PO number in your request. If you don't have the PO number, contact your Business Office for assistance.

Q: Who can print the supplier PO?

A: The name designated as the Requestor on the requisition. This is either the cost center requisitioner or the person they designated as the requestor.

The final approver of the requisition who is listed first in the Purchase Order Event process history. This may be a department approver or the purchasing approver.

System Questions

Q: What should I do if the SciQuest Catalog pricing doesn't match the pricing from my suppliers?

A: Send the specific details to Ask Finance at askfinance@yale.edu and your request will be escalated appropriately.

Q: Where do I look up the details of different spending categories?

A: There is a Workday report named, Spend Category Details – Yale, which provides a list of all Workday spend categories and their descriptions.

Q: Is it possible to see all POs for your group, not just your individual POs?

A: Visibility to Workday POs is based on each person’s role and assigned cost center. For additional information about your cost center(s), reach out to your Business Office.

Q: Why doesn't the PO show that it is fully invoiced when the invoice comes in?

A: In instances when the PO has not been setup correctly and an invoice cannot be matched exactly to the PO, it will not show as fully invoiced. For details on setting up a requisition Create Requisition

Q: How do I correct goods price discrepancies on a PO?

A: Making price corrections to goods lines should be avoided. Cancelling the PO and recreating a requisition with the correct pricing is best practice.

Resources

[Procurement Website](#)

[Procurement Toolkit](#)

Forms

[3201 FR.04](#) *Independent Cost Estimate*

[3201 FR.05](#) *Pricing Documentation (Comparative Pricing & Competitive Bidding)*

[3201 FR.06](#) *Sole Source Documentation*

[3210 FR.01](#) *Services Agreement*

[3210 FR.02](#) *Guest Speaker Agreement*

[3210 FR.04](#) *Standard Performance Agreement*

[3210 FR.05](#) *Statement of Work/Exhibit A to Services Agreement*

[3210 FR.06](#) *Services Agreement for Freelance Photographers*

[3210 FR.09](#) *Yale University Music Commission Agreement*

Policies and Procedures

[3201](#) *General Purchasing*

[3201 PR.01](#) *Purchase Requisition Process*

[3201 PR.02](#) *Pricing Documentation Process*

[3210](#) *Purchase Contracts*

[3210 PR.01](#) *Services Contracts Process*

[3210 PR.02](#) *Employee vs. Independent Contractor*

[3210 PR.03](#) *Process for Purchase Contracts for Software, Web Development Services, Electronic Applications, and Data Use Agreements*

[3210 PR.04](#) *Statements of Work*

[3210 PR.05](#) *Goods Contracts Process*