

Purchase to Pay

Raising Purchase Orders and additional requirements

Helpful tips no 3 – August 2013

- Accounts Payable are coming across a high number of invoices where a quantity purchase order has been raised and issued to a supplier and then additional requirements have been “phoned / emailed through” quoting the same purchase order.
- The problem with this is that the purchase order only covers the goods / service included at the time the requisition was created and approved.
- So when Accounts Payable receive invoices from the supplier for the original and the additional requirement, they are finding that the purchase order has already been used and closed against the first invoice and the additional items cannot be processed. They then need to ask for a new Purchase Order to be raised retrospectively in order to process the invoice. This means the correct purchase to pay and approval process is not being followed.

Important

Once you have raised a quantity purchase order and issued it to the supplier, please do not “request additional goods / services” on the same Purchase order.

If you have an additional requirement, you must always raise a new Purchase order for the additional requirements. e.g.

- purchase order raised for 2 flights and sent to the supplier
- you identify a requirement for an additional flight – you must raise a new purchase order for this and send it to the supplier, because the original purchase order will not cover this.
- purchase orders goods receipted (as appropriate)
- Accounts Payable receive invoices and match against the purchase orders without delay

By following the correct purchase to pay process –

- we have visibility of committed spend (otherwise we are unaware of the additional requirements being requested with the supplier)
- we have commercial protection when dealing with our suppliers
- we avoid delays at the invoice processing stage which in turn means we can make prompt settlement to the supplier

Please note: raising call-off (value) orders is different and the purchase order will be closed once invoices have been processed to the value of the approved call-off (value) order.

For further information:

- about the purchase to pay process, you can find details here under “Information” <http://qm-web.finance.qmul.ac.uk/purchasing/documents/index.html> or contact the Procurement Team finance-procurement@qmul.ac.uk
- about raising purchase orders on the Agresso system, you can find user guidance notes here <http://qm-web.finance.qmul.ac.uk/agresso/training-notes-and-videos/> or contact the Financial Systems Team via email: its-helpdesk@qmul.ac.uk or Tel. 13-8888