

Amount Based and Standing Order Guidance



You can designate your order as a **Standing Amount Based PO** when creating a cart for receiving and invoice matching purposes. This allows your PO to be reduced by **dollar amount** instead of **quantity**.

1. Create a **Non-Catalog item** cart.*
2. Enter **1** in the **Quantity** field.
3. Enter the dollar amount in the **Price** field.
4. Click **Save**, or **Save and Add another** if you are adding multiple line items.
5. Click the **Cart** icon and select **View my Cart**. The cart appears.
6. Click **Proceed to Checkout**.
7. Click the **pencil icon** in the **General** section on the **Summary** tab to edit the fields.
8. Enter a **Requisition Description or Business Purpose**.
9. Click the **Standing Amount Based PO** checkbox. This will apply to all line items.
Please note: You can also update this in a future change order process.
10. Click **Assign Cart** to assign it to a Requestor, who will submit it for approval. The resulting purchase order will now be an “amount-based” purchase order that will allow multiple, partial invoices and/or cost receipts to be entered.**

Summary PO Preview Comments 1

General [Pencil Icon]

Cart Name	Widgets
Accounting Date	2/24/2021
Prepared by	Sample Requester105
Prepared for	Sample Shopper105
Optional Search Field	no value
Requisition Description or Business Purpose	no value
Standing Amount Based PO	<input checked="" type="checkbox"/>

Please Note: Do not flip the unit price and amount fields! Clicking the Standing Amount Based PO checkbox allows for cost-based receiving. The dollar amount will be reduced as each invoice is applied.

FAQ

When should I use amount-based POs?

- Services and other complex orders where the invoice amount may be variable
- Anytime a PO is needed where invoicing will gradually draw down on the *dollar amount* (not quantity) over time

Can I have multiple lines with or without the same CoA?

- Yes

How does the \$2,500 receiving threshold affect Amount Based and Standing Orders?

- If a PO is designated as Amount Based and is **greater than** or equal to \$2,500, then each time it is invoiced you will need to receive the proper *amount* to release payment
- If a PO is designated as Amount Based and is **less than** \$2,500, invoices will be paid without receiving until the full amount of the PO is reached

How does the Change Order Process work on an Amount based PO?

- It allows you to increase the *amount* of the PO if invoices coming in will exceed the full amount

Example: You create a PO yearly for snow removal for a certain amount. Weekly invoices are applied for varying amounts. Receive those amounts to release payment.

Use the change order process if you need to increase the amount available on the PO if you run out because it's a snowy year!

- It allows you to change the account coding on long-term standing orders as the need arises
- **Use the change order process to change an existing quantity-based PO into a Standing Amount Based PO**

* See the Non-Catalog Quick Reference Guide for more information on completing a Non-Catalog Item.

** See the Receiving Quick Reference Guide to learn more about cost receiving.