

Creating a Purchase Order

Creating a Requisition in KFS

The requisition serves as the units' request for goods or services. The following list of resources is intended to guide units in properly completing a requisition in the Kuali Financial System (KFS). Please review the Requisition tutorial (KFSPUR-400 REQS) before proceeding.

- Purchasing Tutorials
 - KFSPUR-400 OV (Purchasing Overview)
 - KFSPUR-420 CS (Vendor Contract Search)
 - KFSPUR-400 REQS (Requisition)
 - KFSPUR-400 e-SHOP (e-SHOP) – new training tutorial created in April 2021
 - KFSPUR-400 POA (PO Amendments)
 - KFSPUR-430 VSU (Purchasing Vendor Set-Up)

If you need further assistance after reviewing the tutorials, please contact the Procurement Services (Procurement) [at procure.support@cornell.edu](mailto:procure.support@cornell.edu). Additional training resources are available on the Procurement Web site at <https://www.dfa.cornell.edu/procurement/e-shop/training>.

If you do not have authorization from your BSC to access KFS but need to begin the procurement process, [contact your BSC](#). Your BSC will use the information you provide to create a requisition in KFS.

Progress Payments

Cornell's standard payment terms are Net 60 days from date of invoice. Other terms may be negotiated by the unit and Procurement. Examples of other terms include discounts for early payment or progress (milestone) payments on projects.

Use of progress payments incorporates risk. Approval of partial payment prior to a product or service being provided leaves the University with limited recourse if obligations are unfulfilled by the supplier. The Office of University Counsel may become involved should the supplier not meet his/her obligations.

In order to properly process payments, the requisition must reflect payments rather than the items being purchased or services being performed. At the line-item level, input the progress payment. For example:

1. "Progress payment one - 30% down payment with the order" (enter 30% of total cost as the dollar amount)
2. "Progress payment two – 30% upon delivery" (enter 30% of total cost)
3. "Progress payment three – 40% net 30 days after receipt of invoice, installation, testing and acceptance" (enter remainder of cost).

Product detail, unique conditions, terms, or additional information pertaining to the order must be entered in the Notes and Attachment tab. The supplier must submit invoices for each progress payment as applicable.

Procurement Services Review Process

Procurement will promptly review and evaluate all requisitions routed to us and will determine the appropriate actions required before the purchase order is issued. The procurement process may require one or more of the following actions, depending upon the conditions of the purchase.

- Requisitioned items are reviewed based on existing contracts.
- Requisitions will be evaluated based on bid limits and fund types.
- Documentation and price justifications for sole source/single source orders will be reviewed by a procurement agent.

Buying Manual

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- The terms and conditions of the purchase order may need to be negotiated and finalized with the vendor.
- Requisitions with special requirements may require review from the appropriate department (e.g., x-ray or sealed sources, bio-safety cabinets).
- Some purchases may need to address specific issues (e.g., insurance coverage, customs clearance, legal review of vendor terms and conditions).

Paying for Purchase Orders

In order to fulfill the purchase order:

1. The goods must be received.
2. The vendor must submit an invoice to Cornell University, Accounts Payable, 377 Pine Tree Road, Ithaca, NY 14850 or via email to DFA-4040_invoice@cornell.edu. For some high-volume vendors, invoices are submitted to Cornell University via electronic invoicing. Invoices are used to create payment requests in KFS.
3. Additionally, the Fiscal Officer (FO) must approve the following payment requests before the payment is made.
 - a. Any invoice from an order originated in e-SHOP for under \$2,500
 - b. Any invoice over \$5,000

PO Amendments and Cancellations

Purchase Order Amendments (POAs) are the responsibility of the BSCs. When a purchase order (PO) is changed, KFS creates a POA based on the existing PO. POAs should be used only for adding or deleting items.

- You may not change a vendor by issuing a POA. In order to change a vendor after a PO has been issued, you must cancel the PO and reissue a new order.
- You may not change a billing account by issuing a POA. The Fiscal Officer (FO) can change the account when reviewing the payment request.
- Do not process POAs on non-quantity orders.

Orders that originated in e-SHOP cannot be changed or amended. The unit must contact the supplier directly to cancel the order.

To process an amendment (or change) to a purchase order, review the KFSPUR-400 POA Purchase Order Amendment tutorial.