



University of Connecticut Health Center

POLICY NUMBER 2006-21

June 23, 2006

POLICY: PURCHASING A-8: PURCHASE ORDER TYPES

PURPOSE:

This policy establishes guidelines for types of purchase orders.

SCOPE:

All University of Connecticut Health Center employees.

POLICY STATEMENT:

The University of Connecticut Health Center (UCHC) policy for the purchase of material, equipment and contractual services has Purchase Orders with different applications depending on purpose for the procurement.

Definitions:

1. Three-Way Match - Regular Order (RO) - Material or equipment is shipped directly to UCHC by vendor and received into the Financial Record System (FRS) by the Receiving Department. The vendor sends invoice to the Accounts Payable Department where it is posted into FRS. A three-way match consists of an exact match of the Purchase Order, receiving and invoice which has been entered into the FRS system. FRS shall then automatically generate a check.
2. Two-Way Match (TW) – Service is rendered or equipment is shipped directly to the Business Owner at UCHC. The vendor sends invoice to Accounts Payable Department. Prior to it being posted into FRS by Accounting the Business Owner must verify receipt of the service or equipment by signing the vendor's invoice. No receiving is posted into FRS. An exact match of Purchase Order and posted invoice is made by the system which automatically generates a check.
3. Master Order (MO) – Specific materials which are of a repetitive type are listed on a Master Order and released to suborders (releases) by the Business Owner and are generated by FRS. These suborders are placed by the Business Owner. A Master Order specifies exact items descriptions, estimated quantities, fixed prices and a definite time period (i.e. Lab Supplies: flasks, beakers, reagents, etc.). The orders may be either a Two-Way or Three-Way Match. The time period may not exceed the fiscal year (July 1st – June 30th)
4. Standing Order (SO) – Is an order for on demand delivery. The order has a fixed

quantity, item description, price and a definite time period. There is no tracking of releases on this type of order and releases must be tracked by the Business Owner. If a Two-Way Standing Order it must be pre-approved by Purchasing Management and the Business Owner must comply with 5.2 of this policy. *Standing Orders are a rare exception.* A Master Order is preferable. The time period may not exceed the fiscal year (July 1st – June 30th).

5. Subscription Order(SO) – Business Owner requires automatic or scheduled deliveries based on calendar dates (i.e. monthly, weekly, bi-weekly) over a specific time period. Order must include item description and price. These orders are a Two-Way Match. The time period may not exceed the fiscal year (July 1st – June 30th).
6. Service Maintenance (SM) – This is standing order for services (i.e. repair of equipment) this is Two-Way Match.
7. Card Order (Purchasing Card) An enhanced credit card used by Purchasing Services Officers, Assistant Director and Director of Purchasing issued by a bank or business authorizing the holder to buy goods or services on credit. It is similar to a standard credit card, but contains more limitations that can be used to control purchases such as dollar limits and number of transactions for an individual or group. The PCard Order is used only in extreme cases such as product or service can not be purchased from other sources and a Purchase Order will not be accepted by the vendor.
8. E-Portal is an E-Commerce web-service based business-to-business ordering system. The Purchasing Department controls vendor participation and access to the portal. Participation is based on a strategic analysis of the potential business relationship, compliance with State procurement regulations and statutes, and a successful incorporation of required business rules. The major benefits are:
 - Elimination of Classic Purchase Requisitions and Purchase Orders;
 - Order time reduced;
 - Desktop ordering (one set of keystrokes);
 - Real-Time product availability and information;
 - Reduced ordering mistakes; and
 - Elimination of on-site warehousing and product redistribution efforts.

Responsibilities:

Purchasing Services Officer is responsible to determine the type of Purchase Order to be issued.

Business Owner is responsible to understand the various types of Purchase Orders and their applications.

[Link to Purchasing A-8](#)

Robert W. Murphy (signed)

10/26/06

Director of Purchasing

Date

Peter Deckers, MD (signed)

10/26/06

Executive Vice President for Health Affairs

Date

NEW POLICY: June 23, 2006