

Indiana University Office of Procurement Services

STANDARD OPERATING PROCEDURE

SOP NO:	SOP-PURCH-02
SUBJECT:	Instructions for Automatic Purchase Orders (APOs)
SOURCE:	University Purchasing Department
ORIGINAL DATE OF ISSUE:	07/03/2019
DATE OF LAST REVISION:	02/03/2022
DISCLAIMER:	The information provided in this Standard Operating Procedure (SOP) is designed to provide helpful information on this procedure. Purchasing reserves the right to determine on a case by case basis if a SOP should be adjusted for a particular situation. This SOP is not intended to cover each and every situation nor can it anticipate specific circumstances.
RATIONALE:	To provide Indiana University employees Automatic Purchase Order guidelines
PROCEDURES	<p>Overview</p> <p>The Automatic Purchase Order (APO) facilitates quick placement of small, routine orders through extending purchasing authority to a department for these transactions. The APO is to be used as a single, one-time transaction and the total dollar amount of goods/services for any single APO cannot exceed four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$4,999.99).</p> <p>Please read all of these instructions carefully before creating an Automatic Purchase Order. This is an additional method of procurement providing a convenience for the using department. However, failure to comply with these procedures can result in revocation of a department's right to use APOs.</p> <p>Restrictions</p> <p>APOs cannot be used for the following:</p> <ul style="list-style-type: none"> • Cell Phones • Check Enclosed/Prepayment Orders • Furniture, furnishings • Gift cards of any kind --- without written authorization from Purchasing • High-risk entertainment (bouncy houses, obstacle courses, stages, carnival rides, etc.) • On-line auction source purchases (e-bay, etc.) • Orders to University employees for personal service • Personal Purchases and the use of personal reward cards that benefit the employee and not the university. • Purchases involving a contract • Purchases involving a trade-in • Recurring payments (leases, rentals, standing orders, repetitive ordering, etc.) • Reimbursements to Indiana University employees • Services requiring a contract • Software • Transactions restricted by IU policy

- Travel or travel-related expenses, including reimbursement
- Vehicles, boats, trailers (anything requiring a title)
- Weapons, ammunition

Authorization

The delegation of limited purchase authority to a department allowing use of the APO means the departmental user accepts and is responsible for compliance with all State of Indiana and Indiana University policies, rules and regulations governing procurement including conflict of interest provisions. This includes adherence to all prohibitions, restrictions, and limitations of such purchases.

The APO may not be used to make purchases from: (1) Indiana University employees or their spouses, (2) business of which an IU employee (or spouse) is a sole or principal owner, or (3) corporations of which an IU employee (or spouse) is a major officer or primary employee.

The APO must not be used to reimburse Indiana University employees. The proper method for reimbursements is the Indiana University Travel System with receipts attached.

Additions, Deletions, Changes, and Cancellations

Any revision of the original APO can be initiated by the requester through BUY.IU. These will route to the fiscal approver and Purchasing for final review and approval.

Return of Merchandise

It is the Department's primary responsibility to obtain return goods authorization and to make arrangements for returning items ordered on APOs. Authorization from the supplier must be obtained for returns. Please contact the supplier and/or Purchasing for instructions prior to returning the goods. It is the Department's responsibility to ensure that credit is issued for all returned merchandise.

Telephone Orders

If an order is phoned to a supplier, the APO should have as its first line item the notation that states "Confirming Order - do not duplicate" to avoid a duplicate shipment being made. NOTE: Confirming Orders should be the exception and not the normal ordering procedure. If you do require a Confirming Order, it is recommended you set the transmission to "Manual" to further avoid the possibility of a duplicate shipment. If the supplier requires a copy of the Confirming Order, be sure you have the "Confirming Order." statement on your REQ/APO.

Stacking

You may not use multiple APOs for one requirement. "Stacking" APOs which keeps the dollar amount of the individual order under \$5,000.00 but the total requirement over the \$4,999.99 limit is not permissible.