

# Indiana University Office of Procurement Services

**STANDARD OPERATING PROCEDURE**

<b>SOP NO:</b>	SOP-PURCH-10 Recurring Payment Orders
<b>SUBJECT:</b>	Recurring Payment Orders
<b>SOURCE:</b>	University Procurement Services
<b>ORIGINAL DATE OF ISSUE:</b>	5/16/2019
<b>DATE OF LAST REVISION:</b>	02/03/2022
<b>DISCLAIMER:</b>	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.
<b>RATIONALE:</b>	<p>Establish a single Purchase Order Number to make small recurring purchases and/or payments to the same supplier for a designated period of time.</p> <p>Before creating a recurring order, consider the below examples of ‘good use for recurring type orders’. If your order does not fall into one of the examples, you may first want to consult Purchasing to determine if a recurring order is appropriate.</p>
<b>PROCEDURES:</b>	<p>1) Create a Non-Catalog Item order, completing standard requisition fields.</p> <p>2) Additionally, the following fields should be completed on the Summary tab in the <b>Recurring Payments section</b>:</p> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px 0;"> <p>Requisition • 3442016 ▾</p> <p>Summary PO Preview Comments Attachments History</p> <hr/> <p><b>Recurring Payments</b> ←</p> <p>Recurring Payment? <span style="float: right;">✓</span></p> <p>Type of Recurring Payment <span style="float: right;">Fixed Schedule/Fixed Amount</span></p> <p>PO Begin Date Month <span style="float: right;">January</span></p> <p>PO Begin Date Day <span style="float: right;">13</span></p> <p>PO Begin Date Year <span style="float: right;">2022</span></p> <p>PO End Date Month <span style="float: right;">January</span></p> <p>PO End Date Day <span style="float: right;">12</span></p> <p>PO End Date Year <span style="float: right;">2023</span></p> <p>Previous PO# <span style="float: right;">no value</span></p> </div> <p>a) <b>‘Recurring Payment?’</b> - check the indicator box if the QTY field is not applicable for the type of order being created. Checking this box tells the system to ignore the QTY field when processing invoices, allowing multiple invoices to be processed against the line item;</p> <p>b) <b>Type of Recurring Payment</b> – set the type of recurring payment that best describes the order.</p> <p>c) <b>Begin and End Date fields</b> – this tells how long the PO is valid – when it starts/ends.</p> <p>d) <b>Previous PO#</b> - if the new order is replacing an existing PO, enter the previous PO#</p>

	<p>3) In the <b>Product Description section</b>, please note “BPO or Blanket Purchase Order” at the beginning of the description and then complete the section with the items/services intended for this order.</p> <p>When the Type of Recurring Payment field is completed, the requisition will fail APO rules and route to Purchasing for review.</p> <p>NOTES:          *This information is included on the PO and sent to the supplier.</p> <p>*If the ‘Recurring Payment?’ box is checked and the Type of Recurring Payment is not selected, the Requisition will be automatically returned to the initiator as a Draft Cart to complete the missing required detail. An email notification will also be sent.</p> <p>4) Review REQ to ensure details are correct.          5) Click Place Order button.</p> <p>The requisition will route to your Fiscal Officer for approval, and then to Purchasing for completion of order and distribution to supplier.</p> <p><u>Examples of Recurring Payment Orders:</u></p> <ul style="list-style-type: none"> <li>• Lease/rental payments;</li> <li>• Utility payments;</li> <li>• High volume, small dollar, recurring purchases to a contracted supplier;</li> <li>• Services contract with multiple payments</li> </ul>
<b>DEFINITIONS:</b>	<p>Recurring Payment Order – a PO that is valid for a designated period of time (usually a Fiscal Year period or a Contract period) where recurring purchases and/or invoices are billed against the order.</p>
<b>CROSS REFERENCE:</b>	<p><a href="#">Creating Non-Catalog order in BUY.IU</a></p>