

Procurement: Change Orders to Close POs

Overview

- This job aid is intended to instruct Procurement Requesters how to close POs if they do not expect any more goods/services to be delivered/rendered
- POs will close automatically when the 3-way match occurs: PO is communicated, receipt is created, invoice is processed/paid
- If there is a discrepancy between the amount/quantity you ordered as Procurement Requester and the amount/quantity received and you would like the PO to close, follow the steps in this job aid
- If you experience issues closing a PO then create an iO Help Desk ticket to request assistance.
- If you feel you need to open the PO back up for any reason, create a request via an iO Help Desk ticket and the decision to open the PO is up to the discretion of the P2P Director.

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Change Log

Date	Change	Description
3/2/2022	Overview	Modified verbiage



I. Creating a Change Order to Close a PO

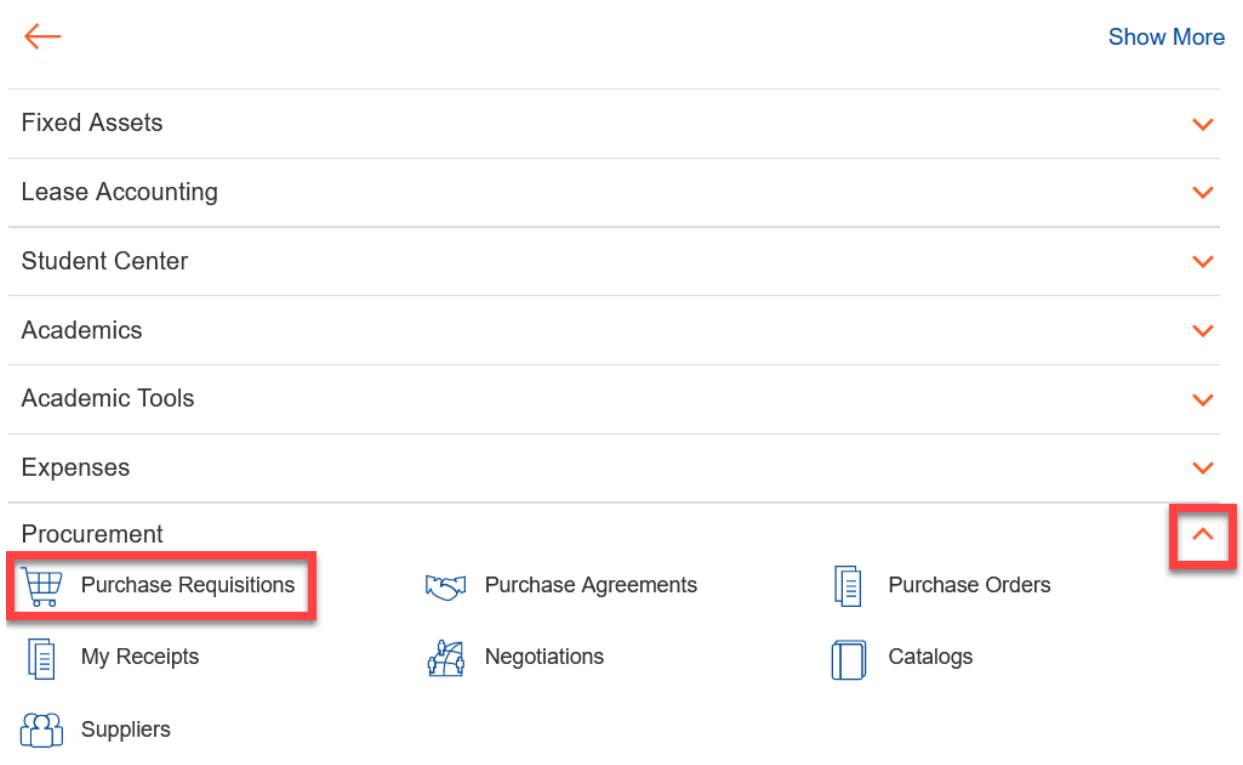
If your requisition has already been approved and PO created, you will need to create a change order on the PO. This is only available for non-Punchout orders due to the nature of the punchout process (Change Orders are not integrated because POs are quickly fulfilled).

I. The **Purchase Requisitions** task can be accessed two ways:

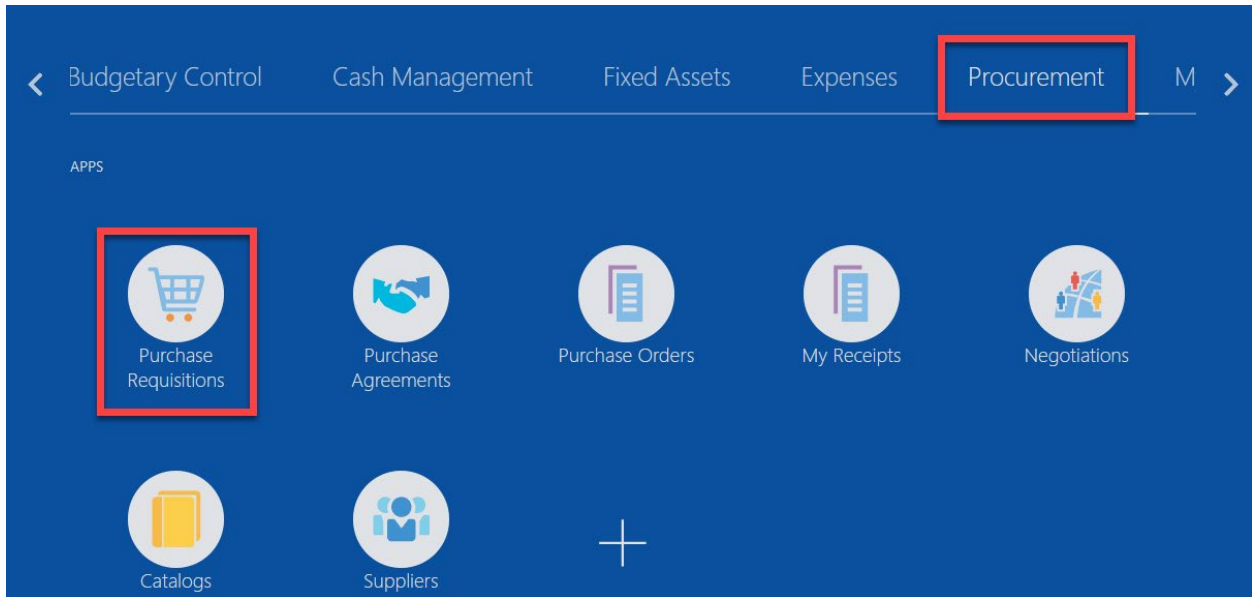
- a. (Option 1) Click the **Navigator** icon in upper left-hand corner of the iO landing page.



- i. Under the **Procurement** section, click the drop-down arrow, and select **Purchase Requisitions** from the drop-down list.



- b. (Option 2) Under the **Procurement** tab on the home page, scroll down and click on the **Purchase Requisitions** tile on the main page.



2. Upon entering the **Purchase Requisitions** tile, click on **Manage Requisitions** section.



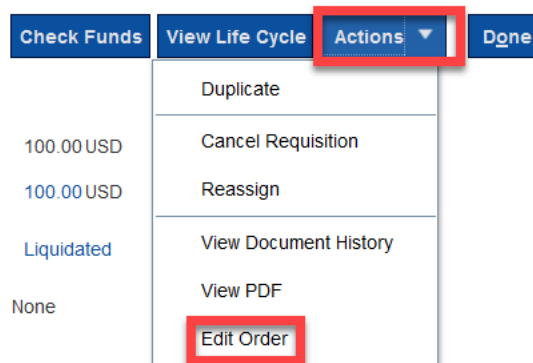
3. You should see a list of your recently submitted requisitions. From here, click on the link of the **Requisition number** for which you would like to edit the corresponding Purchase Order. Note: the requisition status should read **APPROVED**.

Search Results

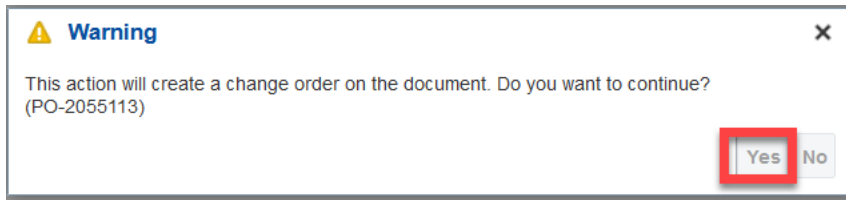
Actions View Format Freeze Detach Wrap

Requisition	Description	Creation Date	Approval Amount	Status	Funds Status	Order
REQ00000425	Temporary accounting and bookkeeping services for George R. Brown School of Engineering	02/16/2021	100.00 USD	Approved	Liquidated	X03000312

4. To edit the Purchase Order, click on **Actions** then **Edit Order**.

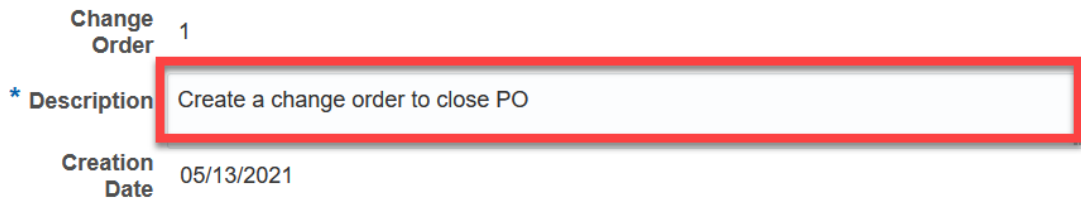


5. Select **Yes** to the pop-up to create the change order.

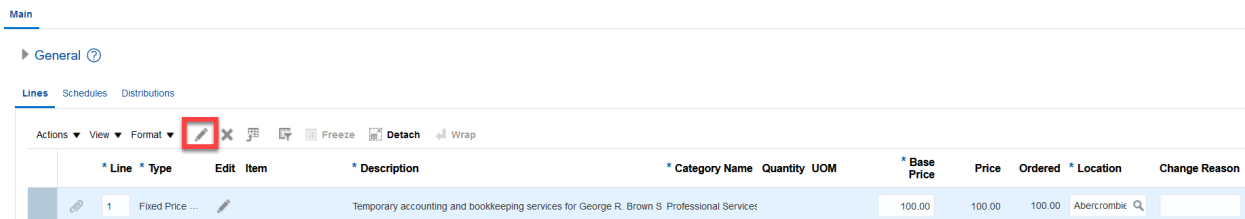


6. From here, you can make the change to close the PO. First, add a **Description** of the change. This is required and may be something along the lines of: *creating change order to close the PO*.

Edit Change Order: 1 ?



7. Now, move forward with the change order to close the PO.
 - a. If you would like to change line level details to match the total amount you received, click the **pencil icon**:



- b. In this example, let's say you had a PO for \$20,000. The supplier has invoiced Rice \$15,000 and you have received \$15,000. You would like to close the PO. You will create a change order to say the total of the PO is actually \$15,000. This will automatically close the PO.
 - i. Edit the **base price**. The **total** will update.

* Base Price 15,000.00 USD

Discount Type

Discount

Discount Reason

Price 15,000.00 USD

Negotiated

Total Tax 0.00 USD

Total 15,000.00 USD (-5,000.00)


Change Reason

Change Status

c. Click **OK**

8. Upon making those update, click **Save** and **Check Funds**.

9. Once document passes funds check, select **OK**.

 **Confirmation** x

The document passed funds check.

10. You have now successfully submitted the change order. At this point, the change order will route based on workflow design.

- a. If total value of the purchase order is less than \$10,000, then the change order will auto-approve. Also, any reduction in PO value will auto-approve.

- b. If the value of the purchase order is greater than \$10,000 and less than \$100,000...
 - i. And charged to a Project, then the Project Manager and Procurement Director must approve.
 - ii. And charged to a Chart of Accounts string, then the Cost Center Manager and Procurement Director must approve.
- c. If the value of the purchase order is greater than \$100,000, the purchase order will route to the above to approve and to the Controller.

2. How do I know if my Change Order has been implemented?

- 1. Remember: change orders edit **Purchase Orders** but have NO IMPACT on the original requisition. In the screenshots below you will notice that the requisition remains the same as the original request to purchase goods/services, but the PO now reflects the fields changed via PO.

a. Original Requisition:

Requisition: REQ00000443

Check Funds View Life Cycle Actions Done

Requisitioning BU GENERAL
Entered By Kissel
Description Pencils for lab

Creation Date 02/18/2021
Status Pending approval
Justification

Requisition Amount 100.00 USD
Approval Amount 100.00 USD
Funds Status Not reserved
Attachments None

Requisition Lines

Actions View Format Freeze Detach Wrap

Line	Line Type	Item	Revision	Description	Category Name	Cost Center	UNSPSC	Quantity	UOM	Secondary Quantity	Secondary UOM	Price	Price (USD)
1	Goods			Pencils for lab	Office Supplies	00100		100	EA			1.00 USD	1.00

b. Original PO:

Purchase Order: X03000324

View PDF Actions Done

Order Life Cycle

Main

General

Procurement BU GENERAL
Requisitioning BU GENERAL
Sold-to Legal Entity William Marsh Rice University LE

Supplier McMaster-Carr Supply Co
Supplier Site BU-2 600 N Coun
Supplier Contact

Communication Method None
Bill-to Location Payables Bill To
Ship-to Location Abercrombie/01B137

Ordered 100.00 USD
Total Tax 0.00 USD
Total 100.00 USD

Description
Requisition REQ00000443

Source Agreement
Supplier Order

Order Life Cycle: Ordered 100.00 USD

Line	Type	Item	Description	Quantity	UOM	Base Price	Discount Type	Discount	Discount Reason	Price	Ordered	Total Tax
1	Goods		Pencils for lab	100	EA	1.00				1.00	100.00	0.00

c. Change Order:

Edit Change Order: 1

Check Funds Manage Approvals Actions Save Submit Cancel

Change Order 1 Status Incomplete
 Description Change quantity to 50
 Amount Changed -50.00 USD
 Funds Status Not Applicable
 Initiating Party Requester
 Initiator Kissel
 Type Internal

Main

Line	Description	Location	Quantity	UOM	Requested Delivery Date	Promised Delivery Date	Change Order Funds Status	Change Reason
1	Pencils for lab	Abercrombie	50	EA	02/19/2021	mm/dd/yyyy	Not Applicable	

Pending Change Order

Change Order 1
 Description Change quantity to 50
 Status Pending Approval
 Initiating Party Requester
 Initiator Kissel
 Creation Date 02/18/2021
 Amount Changed -50.00 USD

d. Edited PO:

Purchase Order: X03000324

View PDF Actions Done

Main

General	
Procurement BU GENERAL	Supplier McMaster-Carr Supply Co
Requisitioning BU GENERAL	Supplier Site FBU-2 600 N Coun
Sold-to Legal Entity William Marsh Rice University LE	Supplier Contact
Bill-to BU GENERAL	Communication Method None
Order X03000324	Bill-to Location Payables Bill To
Status Open	Ship-to Location Abercrombie/01/B137
Funds Status Reserved	Ordered 50.00 USD
Buyer FOne	Total Tax 0.00 USD
Creation Date 02/18/2021	Total 50.00 USD
	Description
	Requisition REQ00000443
	Source Agreement
	Supplier Order

Line	Type	Item	Description	Quantity	UOM	Base Price	Discount Type	Discount	Discount Reason	Price	Ordered	Total Tax
1	Goods		Pencils for lab	50	EA	1.00				1.00	50.00	0.00

e. Requisition after Change Order (DOES NOT CHANGE):

Requisition: REQ00000443

Check Funds View Life Cycle Actions Done

Requisitioning BU: GENERAL
 Entered By: Kissel
 Description: Pencils for lab

Creation Date: 02/18/2021
 Status: Approved
 Justification:

Requisition Amount: 100.00 USD
 Approval Amount: 100.00 USD
 Funds Status: Liquidated
 Attachments: None

Requisition Lines

Line	Line Type	Item	Revision	Description	Category Name	Cost Center	UNSPSC	Quantity	UOM	Secondary Quantity	Secondary UOM	Price	Price (USD)
1	Goods			Pencils for lab	Office Supplies	00100		100	EA			1.00 USD	1.00

4. PO Status Change

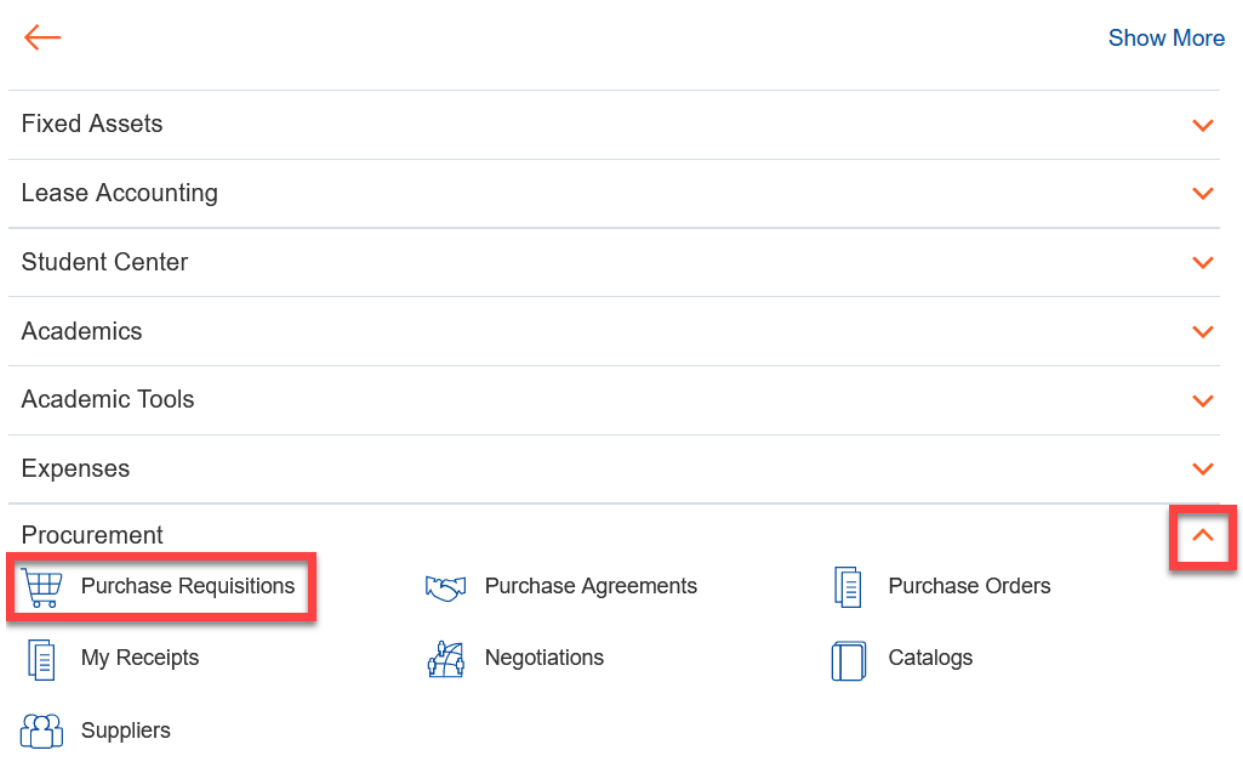
Once the change order is complete and approved, you will be able to see the PO status change to **closed**. The following steps will show you how to navigate there.

I. The **Purchase Requisitions** task can be accessed two ways:

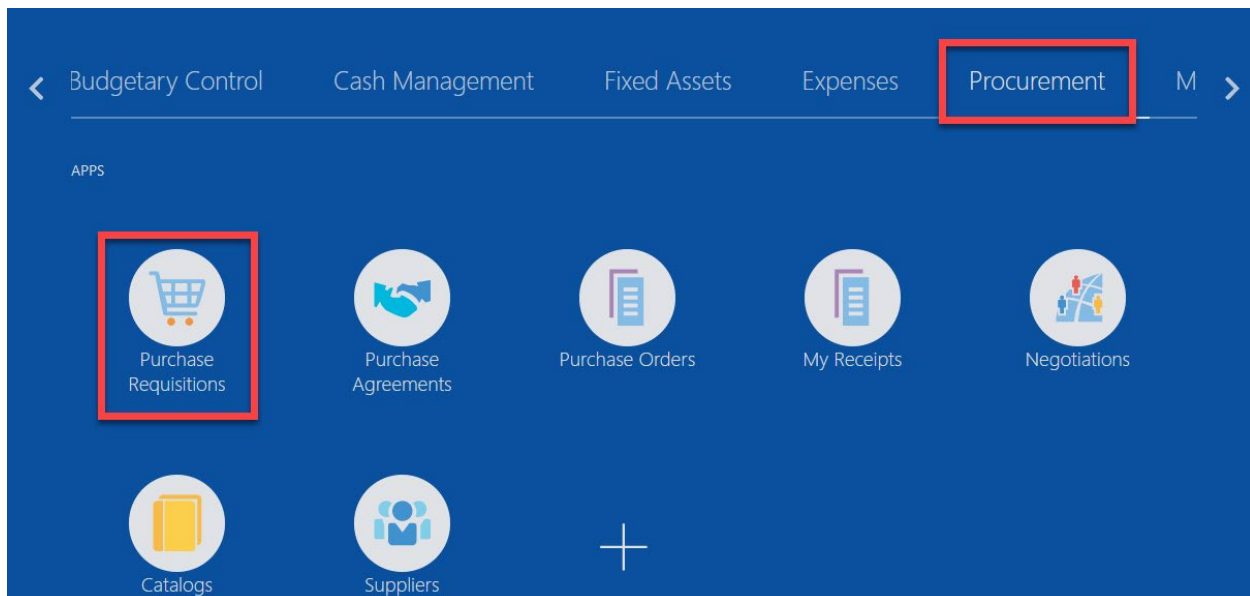
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2. Upon entering the **Purchase Requisitions** tile, click on **Manage Requisitions** section.



- You should see a list of your recently submitted requisitions. From here, click on the link of the **PO number** for which you have recently submitted a change order to close the PO.

Search Results

Actions ▾ View ▾ Format ▾ Freeze Detach Wrap

Requisition	Description	Creation Date	Approval Amount	Status	Funds Status	Order
REQ00000609	Air conditioner maintenance	05/06/2021	110,000.00 USD	Approved	Liquidated	X03000537

- Now you can see the PO status and it will read closed. Please note: you must have received for the same amount and an invoice must also be matched for this amount for the PO to **closed**. If you need Purchasing to close the PO, contact iO support.

Purchase Order: X03000553

Main

General

Procurement BU GENERAL

Requisitioning BU GENERAL

Sold-to Legal Entity William Marsh Rice University LE

Bill-to BU GENERAL

Order X03000553

Status Closed

Funds Status Reserved

Buyer Consultant Sixteen

Creation Date 05/11/2021