The New York State Guide to Financial Operation states, **it is best practice for all state agencies to use a purchase order for all planned purchases**. Agencies are **required** to use a purchase order for any single purchases of $10,000 or more from any vendor that has a classification of *procurement supplier* in the NYS vendor file. This policy, subject to the exceptions (listed below), is applicable regardless of whether the agency intends to pay the vendor with a check, electronic payment (ACH) or with the PCard. Agencies may not use the PCard to pay for agency-specific contracts, because expenditures are not captured in the year-to-date and life-to-date amounts on the contract.

Exceptions to the “purchase order required” policy are:

* Utilities
* Interagency bills
* Postage meter replenishments
* Courier services
* Arbitrations services
* Legal settlements
* Memberships, dues and subscriptions
* Centralized contracts made out of SFS through vendor ordering system where prices are variable such, for example:
  + Purchases of prescription drugs (e.g., Cardinal Health)
  + Purchases of perishable foods (e.g., Sisco, Driscoll)

To adhere to the above policy, the forms in Jaggaer that will create a purchase order (as required by New York State) are:

* Catalogs
  + Punchout and
  + Hosted
* Non-Catalog Item
* Standing Order Request
* Trademark Materials Request

Using one of the above forms will create an EXTERNAL purchase order that will encumber the goods and services and proved the vendor with a Fredonia purchase order number. External purchase order numbers end with the letter “S.” Purchase orders contain our terms and conditions and is our *promise to pay*.

The Honorarium and Payment Request Forms create an INTERNAL purchase order. Internal purchase orders will not encumber the goods and service and are not sent to the vendor. Internal purchase order numbers begin with the letter “I.” Internal purchase orders are not a “true” purchase order per the above New York State guideline. Departments are to use the Payment Request Form, when they **have an invoice to attach and the payment is for emergency service or one of the items on the above bulleted list of “exceptions to the purchase order requirement.”**  Fredonia is not obligated to pay vendor invoices when departments use the Payment Request Form for items that are not on the above “exemption” list.

Use Shop Search to find item

If item(s) are “on contract” and total order is under $2,500; purchase order will bypass Purchasing and be sent directly to supplier.

Best practice is for agencies to use a purchase order for all planned purchases. A purchase order is REQUIRED for any purchase of $10,000 or more.

Use of this form will generate an external purchase order and encumber the funds.

Use of this form creates an unencumbered internal purchase order.

Use of this form creates an encumbered EXTERNAL purchase order.



MUST attach payee signature