

## **QUICK REFERENCE GUIDE**

### *Close a Purchase Order Referencing a Contract Using a Change Order*

*May 4, 2016*

## **Close a Purchase Order Referencing a Contract Using a Change Order**

Use a change order when you wish to reduce and close a purchase order that **references a contract**. Before you close it, you must first reduce the purchase order to what has been paid. The change order allows the purchase order to be reduced and then closed on the Buyer's WorkBench. Then, funds flow back to the contract.

Typically, it is not necessary to reduce blanket purchase orders or other purchase orders not referencing contracts. These purchase orders can be closed directly from the Buyer's WorkBench.

Before closing a purchase order that was created with a contract, check the following guidelines to make sure that the funds properly roll back to the contract.

- Reduce the purchase order to a zero encumbrance before closing the purchase order.
- If no payments have been made, cancel the line before closing the purchase order.
- The closed amount may not be available on the contract until the daily purchase order batch update process has been run. The funds may not be available on the contract until the following business day.

## **Process Steps**

### **Step 1: Locate the Individual Purchase Order.**

- **Navigation:** Purchasing, Purchase Orders, Add/Update POs
- On the **Find an Existing Value** tab, search for and select the purchase order to reduce and close.
- Enter the *Business Unit* and *PO ID* or other search criteria as needed.
- Click **Search**.
- Click on the individual *PO ID*, on the **Search Results** page.

Find an Existing Value
Add a New Value

**Search Criteria**

**Business Unit:** = P7801

**PO ID:** contains 60280

**Origin:** begins with

**Purchase Order Date:** =

**PO Status:** =

**Short Vendor Name:** begins with

**Vendor ID:** begins with

**Vendor Name:** begins with

**Buyer:** begins with

**Buyer Name:** begins with

**PO Type:** =

**Purchase Order Reference:** begins with

Case Sensitive

Search
Clear
Basic Search
Save Search Criteria

### Search Results

[View All](#)

Business Unit	PO ID	Origin	Purchase Order Date	PO Status	Short Vendor Name	Vendor ID	Vendor Name
P7801	3000060280	979	08/19/2015	Approved	DENTAL HEA-004	0000208906	DENTAL HEALTH

## Step 2: Update the Purchase Order.

- On the **Purchase Order**, review the *Amount Summary* section. Look for the *Encumbrance Balance*. In the example below, the buyer originally set up the purchase order to purchase two items. Only one item is needed. The buyer will create a change order to reflect this need.
  - The merchandise *Total Amount* was \$7,302.75. \$3,651.38 remains on the *Encumbrance Balance*. \$3,651.37 was vouchered. ( $\$7,302.75 - \$3,651.38 = \$3,651.37$ )

### Purchase Order

Business Unit: P7801    Origin: 979    Mn Department Of Corrections    PO Status: Dispatched

PO ID: 3000060280    [Approval Exception](#)    Budget Status: Valid

Copy From:         Hold From Further Processing

**Header**

\*PO Date: 08/19/2015    Vendor Search    [Response Documentation](#)    Doc Tol Status: Valid    Agency Reference: 16 34101 4110 cro 1

Expiration Date:        Backorder Status: Not Backordered    [Create BackOrder](#)

\*Vendor ID: 0000208906    DENTAL HEALTH PRODUCTS INC    Receipt Status: Partial    Doc Type: CRO-Contract Release Order

\*Vendor: DENTAL HEA-004    [Vendor Details](#)    \*Dispatch Method: Email    [Dispatch](#)

\*Buyer:   

PO Reference: 130327 xray machine

\*Billing Location: P780000436    [Billing Address](#)

#### Amount Summary

Merchandise:	6,832.98	
Freight/Tax/Misc.:	469.77	<a href="#">Calculate</a>
<b>Total Amount:</b>	<b>7,302.75</b>	USD
<b>Encumbrance Balance:</b>	<b>3,651.38</b>	USD

[Header Details](#)    [Activity Summary](#)

[PO Defaults](#)    [Document Status](#)

- Scroll down to the lines section of the purchase order. Determine what action is needed. Reduce the *Price* field (Amount Only orders) or the *Quantity* to the *Amount* vouchered. Reduce the purchase order, which reduces these fields for all lines.

Line	Item	Description	PO Qty	*UOM	Category	Price	Merchandise Amount	Status
1		Dental X-ray machines MFG: GENDEX, P/N: EXPERTDC75 Description: Expert DC Intraoral X Ray 75" Reach With Wall Plate	2.0000	EA	42150000	3,416.49000	6,832.98	Approved

- In the example, the *PO Qty* was reduced to "1.0000", since the amount vouchered was for one item instead of two items. Click **Save**.

Line	Item	Description	PO Qty	*UOM	Category	Price	Merchandise Amount	Status
1		Dental X-ray machines MFG: GENDEX, P/N: EXPERTDC75 Description: Expert DC Intraoral X Ray 75" Reach With Wall Plate	1.0000	EA	42150000	3,416.49000	3,416.49	Approved

- Respond to the message confirming the need to create a change order. Click **Yes**.

**Message**

This action will create a change order. Continue? (10200,27)

The action that you are taking will cause the system to create a change order. If you do not want to create a change order, then you cannot perform the action at this time.

- Review the *Amount Summary* on the purchase order. The purchase order is updated to reflect the reduced *Qty*.

### Step 3: Process the Updated Purchase Order.

- Approval Step: Resubmit the updated purchase order for approval. The *PO Status* is now "Open" and the *Budget Status* is not "Not Chk'd". Click the **Approve PO** icon.
- NOTE:** if the purchase order was set up for self-approval, you can skip this part of the process.

<b>PO Status:</b>	Open	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Budget Status:</b>	Not Chk'd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Budget Check Step: After the purchase order has been approved, the *PO Status* is now "Approved". The *Budget Status* remains "Not Chk'd".

<b>PO Status:</b>	Approved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Budget Status:</b>	Not Chk'd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- The purchase order now needs to be budget checked. Click the **Budget Check** icon.
- NOTE:** The purchase order must be at an approved status before it can be budget checked. Once it is approved and valid then continue with step 3
- After the budget check passes, the *PO Status* is "Approved" and the *Budget Status* is "Valid".

<b>PO Status:</b>	Approved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Budget Status:</b>	Valid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Return to the purchase order and review the *Account Summary*. The *Total Amount* now reflects the amount vouchered on the purchase order. The *Encumbrance Balance* is "0.00".

**Purchase Order**

Business Unit: P7801 Origin: 979 Mn Department Of Corrections PO Status: Approved  

PO ID: 3000060280 [Approval Exception](#) Budget Status: Valid

Change Order: 1

Copy From:   Hold From Further Processing

**Header**

\*PO Date: 08/19/2015 Vendor Search [Response Documentation](#) Doc Tol Status: Valid Agency Reference: 16 34101 4110 cro 1

Expiration Date:  Backorder Status: Not Backordered [Create BackOrder](#)

\*Vendor ID: 0000208906 DENTAL HEALTH PRODUCTS INC Receipt Status: Received Doc Type: CRO-Contract Release Order

\*Vendor: DENTAL HEA-004 [Vendor Details](#) \*Dispatch Method: Email

\*Buyer: 01141408 Sullivan, Deborah S

PO Reference: 130327 xray machine

\*Billing Location: P780000436 [Billing Address](#)

**Amount Summary**

Merchandise:	3,416.49
Freight/Tax/Misc.:	234.88 <input type="button" value="Calculate"/>
Total Amount:	3,651.37 USD
Encumbrance Balance:	0.00 USD

[Header Details](#) [Activity Summary](#)

**There is a zero dollar Encumbrance Balance. It has been reduced to what has been paid. This purchase order referencing a contract now must be closed in the Buyer's WorkBench.**

**Step 4: Use the Buyer's WorkBench to Close the Purchase Order.**

- Enter the Buyer's WorkBench and Locate the Individual Purchase Order.
  - Navigation Purchasing, Purchase Orders, Buyer's Workbench
  - Search for and select an available *Workbench ID* or create one by selecting **Add a New Value** if needed.
  - Enter the WorkBench ID on the **Find an Existing Value** tab. Click **Search**.
  - Or, on the **Add a New Value** tab, enter the *Business Unit* and a *WorkBench ID* that will allow you to access it. Enter a short name that will you remember it (e.g., CLOSEPO). *WorkBench IDs* are reusable. You do not need to keep adding new ones.

**Buyer's WorkBench**

Enter any information you have and click Search. Leave fields blank for a list of all values.

**Search Criteria**

Business Unit: =  

WorkBench ID: begins with

Description: begins with

Case Sensitive

[Basic Search](#)  [Save Search Criteria](#)

- On the **Filter Options** page, clear all fields. Enter search criteria (e.g., *Purchase Order ID*). Scroll to the bottom of the page and click on **Search**.

Buyer's WorkBench

**Filter Options**

Business Unit: G1001      WorkBench ID: CLOSEPO

Description:

Enter search criteria and click on Search. Leave blank for all values. [Go to Search by File](#)

**Search Criteria**

Origin:

**Purchase Order:**       To:

- On the *List of Purchase Orders* section, locate the individual purchase order you wish to close.

**2. Process the Purchase Order to Close it.**

- Enter information in the *Description* field.
- On the **Detail** tab, click on the **Select** check box. Click the **Close** button.
- If the purchase order has multiple order lines, individual lines can be selected or unselected by clicking the **Lines** icon in the far right column.

Buyer's WorkBench

Business Unit: G1001      WorkBench ID: CLOSEPO

**\*Description:**

Select POs for Further Processing

**List of Purchase Orders** Personalize | Find | View All | Download | First | 1 of 1 | Last

Purchase Order	Doc Status	PO Status	Hold	PO Date	Last Activity	Vendor ID	Buyer	Match Action	Change Order	Blanket PO	Lines
<input checked="" type="checkbox"/> 3000003277		Dispatched	N	09/08/2015	08/31/2015	0000257685	Savino, Diane M	Standard			

[Select All](#)       [Clear All](#)

Action:                            

- The **Processing Results** page is displayed. This page is where you will close a purchase order.
- Purchase orders are “qualified” to be closed based on their current status and any activity associated with them. Purchase orders with a cancelled status or those without active receipts or vouchers associated with them are qualified to close.
- Purchase orders displayed in the left column are not qualified to be closed at this time. With caution, you can manually override those who are not qualified to be closed.

**Processing Results**

Business Unit: G1001      WorkBench ID: CLOSEPO

**\*Description:**

Select POs for Further Processing

Accounting Date for Action:

Update Budget Date Equal to Accounting Date

Not Qualified		Qualified			
PO ID	Log	PO ID	Line	Sched	Distrib Line
<input type="checkbox"/> 3000003277					

- To see why a purchase order cannot be closed, click on the **Log** icon.

**Purchase Order Logs**

Business Unit: G1001      WorkBench ID: CLOSEPO  
 Description:  
 PO Number: 3000003277

Line	Sched	Dist	Message Text
1	1		POs with Receiving Required On though not received.
2	1		POs with Receiving Required On though not received.

- You can sometimes manually override those who are not qualified to be closed. **Use this feature with caution.** Click on the **Override** button and the purchase order is moved to the Qualified section.

<p>Accounting Date for Action: 10/19/2015</p> <input type="checkbox"/> Update Budget Date Equal to Accounting Date													
<p>Not Qualified</p> <table border="1"> <thead> <tr> <th>PO ID</th> <th>Log</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td></td> </tr> </tbody> </table>	PO ID	Log	<input type="checkbox"/>		<p>Qualified</p> <table border="1"> <thead> <tr> <th>PO ID</th> <th>Line</th> <th>Sched</th> <th>Distrib Line</th> </tr> </thead> <tbody> <tr> <td>3000003211</td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	PO ID	Line	Sched	Distrib Line	3000003211			<input type="checkbox"/>
PO ID	Log												
<input type="checkbox"/>													
PO ID	Line	Sched	Distrib Line										
3000003211			<input type="checkbox"/>										

**3. Close the Purchase Order.**

- When you are ready to close an individual purchase order, click on the **Yes** button at the bottom of the page. You will receive a confirmation message. Click **Yes** to continue to continue.

**Message**

Continue to Close POs. (10224,10)

- You will receive another confirmation message stating that the closing process is completed. Click **OK**.

**Message**

Completed the Closing Process. (30000,47)

Completed the Closing Process.

**4. Re-Run the Budget Check.**

- The purchase order is now closed. Its status is now "Complete". The closed purchase order no longer appears on the **Buyer's WorkBench** page.
- Always run the **Budget Check**. **Save** it when you are done.

**Buyer's WorkBench**

Business Unit: G1001      WorkBench ID: CLOSE

\*Description:

Select POs for Further Processing

List of Purchase Orders Personalize | Find | View All | Download | First | 1 of 59 | Last

Purchase Order	Doc Status	PO Status	Hold	PO Date	Last Activity	Vendor ID	Buyer	Match Action	Change Order	Blanket PO	Lines
<input checked="" type="checkbox"/> 3000003226		Approved	N	08/10/2015	08/06/2015	0000197383	Savino,Diane M	Standard			

Select All     Clear All

Action:            

          

Go To: [Set filter options](#)    [Process Request Options](#)  
[Process Monitor](#)    [View Processing Results](#)

- You will be returned to the **Buyer's WorkBench** page if you wish to close or process other purchase order.
- The closed purchase order no longer appears on the **Buyer's WorkBench** page. As an option, you can view it using the **Purchase Order Inquiry**.
- **Navigation:** Purchasing, Purchase Orders, Review PO Information, Purchase Orders