

Purchasing Policy 2 - Revised

Original: 08/06/1999

Revised: 06/11/2015

To: State Agency ALP Certified Purchasers

From: Kent Allin, Director, Department of Administration

Ron Mavetz Jr., Finance Services Director, Minnesota Management and Budget (MMB)

Subject: Field Purchase Order (FPO) Policy and Limits

Pursuant to Minn. Stat. § 16C.05, subd. 2(3), this policy is revised in accordance with the 2013 Legislative change to Minn. Stat. § 16C.10, subd. 6(1) and it replaces the Departments of Administration and Minnesota Management and Budget (previously known as Department of Finance) policy dated August 17, 2007 (Informational Bulletin Admin 07.07).

The FPO can be used in certain circumstances by authorized State employees to purchase items up to \$5,000.00. The FPO limit of \$5,000.00 includes freight and miscellaneous charges, but not sales and use taxes. It is intended for use when the State employee is not in his or her primary work location and procuring the goods and allowable services cannot be done in the Statewide Integrated Financial Tools (SWIFT) System. The FPO is not to be used to order goods and services for future deliveries.

Authorized FPO uses are as follows:

- In immediate-need situations when an employee is not in his or her primary work location and the State agency cannot enter an encumbering document in SWIFT prior to the purchase; and
- For emergency vehicle repairs when the work is not being done on State property.

Other uses of the FPO are allowed only on an exception basis when approved by the commissioners of Administration and MMB. State agencies must submit requests for exceptions on the Request for FPO Policy Exception Form which is available on the Department of Administration Office of State Procurement (OSP) website at <https://mn.gov/admin/osp> in the secured area. A copy of the form is attached; always use the most recent form on the OSP website. If properly justified and supported, exceptions to this policy may be granted on a fiscal year basis. If a State agency has an approved exception for a type of “service,” the State agency must comply with all service certification requirements.

FPO’s should be used sparingly because the FPO does not provide the same level of internal controls as when using other procurement document types. For example, when using the FPO process, the separation of duties is not met for the ordering, receiving, and payment processing functions. The use of the FPO could create opportunities to engage in fraudulent or unethical purchasing activities.

State agencies may develop their own policy on using the FPO as long as it does not exceed the dollar amount and uses identified in this policy or in an approved FPO policy exception. The FPO is not to be used to circumvent the Department of Administration’s established purchasing policies and procedures.

If you have questions regarding the proper use of the FPO, please contact Luke Jannett, Acquisitions Manager, Department of Administration, at 651.201.2446 or Luke.Jannett@state.mn.us.

References:

Minnesota Statutes §§ 16C.05, subd. 2(3) and 16C, subd. 6

Department of Administration, Office of State Procurement ALP Manual

Attachment:

Request for Field Purchase Order Policy Exception Form