



Purchase Orders Processes & Closure

Purchase Orders - Summary



- All UShop orders result in a Purchase Order (PO)
- Each PO encumbers funds and facilitates processing of invoices
- Ideally, a PO is for a discrete set of goods or services and is open while those goods or services are received, and invoiced, then closed.
- When a PO is closed, any remaining encumbered funds are removed, and further invoices cannot be processed.
- Most suppliers accept a PO, but not all, and in those cases using a Pcard is the best option.
- A process exists to automatically close PO's, or you can close them yourself.

Purchase Orders - Basics



- What is a PO?
 - An agreement between parties which governs the purchase of goods or services, including payment terms. At the University of Utah the parties are the University and the supplier who accepts the PO in exchange for the goods or services they provide.
- How are PO's issued to a supplier? How do I know if the supplier received it?
 - This is done electronically, most often via email. You'll see this in UShop, under the History tab on the PO. You'll see when the PO was sent, by what method, and if by email, the specific email that was used.

PO's in the overall P2P process?



Purchase Orders - Statuses



- **Open**
 - When a PO is created, or has been reopened
 - Invoices can be processed
- **Soft Closed**
 - System automated pre-closing process
 - Invoices can be processed
- **Closed**
 - Closed by either the system or a user
 - No further invoices can be processed

Purchase Orders- Encumbrances



Each PO creates an associated encumbrance in PeopleSoft, visible in Management Reports

- Funds associated with the PO are encumbered, or reserved, in PeopleSoft, as a soft commitment. This can be a useful indicator of what your department is expecting in terms of future expenses. As invoices are processed, and paid, the encumbrance is reduced by a corresponding amount of those invoices.
- If the amount of the PO exceeds the amount of all invoices, such as, you estimated an amount of expenses but the actual expenses were less, then you can easily close the PO in UShop after the final invoice has been paid. Closing removes any remaining encumbered funds, and also prevents any future invoices from being processed.

PO with open encumbrance



Purchase Order • PREMIER TRUCK GROUP OF SALT... • U000406228 Revision 0

37 of 638 Results

Status Summary Revisions 1 Confirmations Shipments Change Requests Receipts **Invoices 1** Comments Attachments 1 History

Records found: 1, Totaling: 7,140.32 USD

Invoice No. ↓	Supplier Invoice No.	Invoice Date	Due Date	Invoice Type	Payment Status	Invoice Total	Invoiced By
V0744784	34139775	7/17/2017	7/18/2017	Invoice	Paid	7,140.32 USD	MINJARES-DEMBOWSKI, JAYDEN

Line Details

Line No.	Product Name	Catalog No.	Unit Price	Qty/UOM	Extended Price	Invoice Qty/Cost	Status
1	Repairs to turbo in vehicle 5126.		7,708.87 USD	1 EA	7,708.87 USD	n/a 568.55 USD	Open
						n/a /	Net
						7,140.32 USD	Invoiced

Completed

Details

Supplier Status

Sent To Supplier

Supplier

PREMIER TRUCK GROUP OF SALT LAKE CITY

Total (7,708.87 USD)

Shipping, Handling, and Tax charges are calculated and charged by each supplier. The values shown here are for estimation purposes, budget checking, and workflow approvals.

Subtotal 7,708.87

7,708.87

Related Documents

Requisition: 166322897

Invoice: V0744784

How to close the PO



Purchase Order • PREMIER TRUCK GROUP OF SALT... • U000406228 Revision 0

StatusSummaryRevisions1ConfirmationsShipmentsChange RequestsReceiptsInvoices1CommentsAttachments1History

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37 of 638 Results

...

Create Quantity Receipt

Create Credit Memo

Create Cost Receipt

Create Invoice

Print Fax Version

Soft Close PO

Close PO

Non-Catalog Quick Order

Resend to Supplier

See configuration for this purchase order

Shipping, Handling, and Tax charges are calculated and charged by each supplier. The values shown here are for estimation purposes, budget checking, and workflow approvals.

Subtotal7,708.87

7,708.87

When are PO's closed automatically?



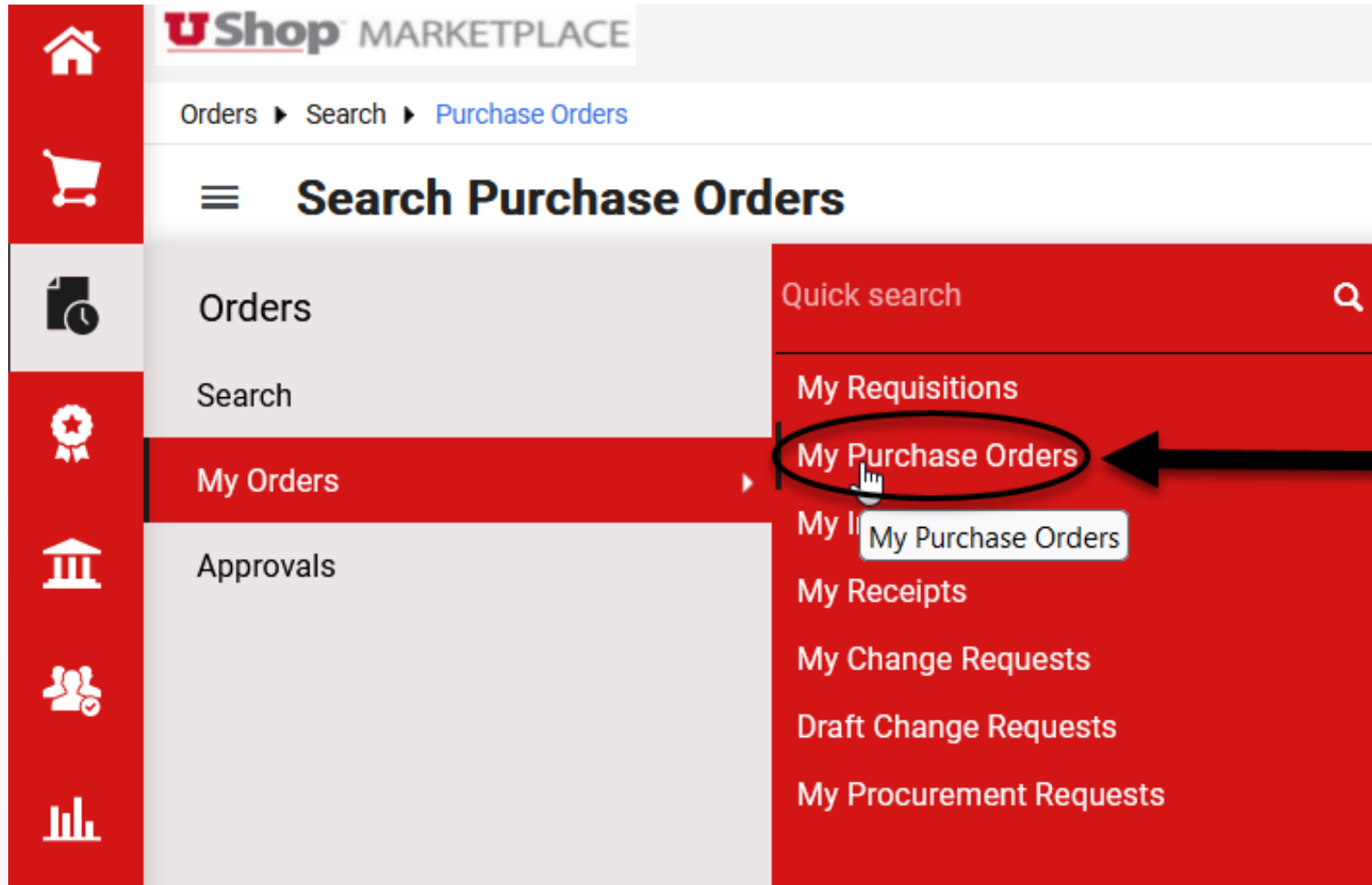
- PO's are automatically changed to **Soft Closed** status when the total of all invoices ***exactly*** matches the PO amount
- Then, for a PO in Soft Closed status, after 30 days, if all invoices associated with the PO have a status of "Paid" then the PO will be changed to **Closed** status.
- This most often applies to orders placed through a punch-out catalog and which utilize electronic invoicing.

Do I Need To Close PO's?



- In many situations the automatic closing process criteria will not apply to your PO's and a best practice is to review your open PO's and manually close them, if...
 - All expected invoices appear in the Invoices tab on the PO in UShop, **AND**
 - All invoices you see listed have a status of "Paid"

How can I see my PO's?




Default Display of PO's




...	PO Number ▼	Supplier	Created Date/Time ▼	PO Status	Requisition Number	PO Owner	Shipment Status	Matching Status	Total Amount ▼
...	UI00032307	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM	Completed	166433128	PIPER FERRELL	Sent To Supplier	Partially Matched	109.92 USD
...	UI00032297	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM	Completed	166383989	KATIJA JACQUELINE SNOW	Sent To Supplier	Partially Matched	900.00 USD
...	UI00032292	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 11:13:15 AM	Completed	166410461	MATTHEW SCOTT FARR	Sent To Supplier	Partially Matched	150.00 USD
...	UI00032290	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 10:22:51 AM	Completed	163867209	CHRISTIAAN D COLEMAN	Sent To Supplier	Partially Matched	2,000.00 USD
...	UI00032273	UNIVERSITY CAMPUS STORE ⓘ	12/23/2022 1:42:09 PM	Completed	166262033	SUSAN BAXTER MADSEN	Sent To Supplier	Partially Matched	35.99 USD
...	UI00032257	UNIVERSITY CAMPUS STORE ⓘ	12/22/2022 9:23:52 AM	Completed	166359475	JENNIFER EHLERS	Sent To Supplier	Partially Matched	4,286.99 USD
...	UI00032240	UNIVERSITY CAMPUS STORE ⓘ	12/21/2022 10:29:33 AM	Completed	166312290	CLARISA RANI DEPARI	Sent To Supplier	Partially Matched	270.00 USD

Add Invoice Total Column



	Shipment Status	Matching Status	Total Amount ▼
	Sent To Supplier	Partially Matched	109.92 USD
W	Sent To Supplier	Partially Matched	900.00 USD
	Sent To Supplier	Partially Matched	150.00 USD

 200 Per Page ▼
Configure Columns

UShop
MARKETPLACE

Configure Column Display

Reflects the columns defined for the current search. Customizations will apply to the lifetime of the current search unless the search is saved. Columns marked with an * are custom defined data elements

invoice ☐ Pin Columns as my defaults

☐ Hold Invoice for Approval *
☐ Invoice Header WH *
☐ Invoice Line WH *
☐ Invoice Number
☐ Invoice Pay Status
☐ Invoice Status
☒ Invoice Total
☐ Require exact PO-to-Invoice match *
☐ Total Payment Amount (may include multiple invoices/vouchers) *

PO Number

Supplier

Created Date/Time

PO Status

Requisition Number

PO Owner

Shipment Status

Matching Status

Total Amount

Invoice Total

Apply Cancel

Add Invoice Total Column



...	PO Number ▼	Supplier	Created Date/Time ▼	PO Status	Requisition Number	PO Owner	Shipment Status	Matching Status	Total Amount ▼	Invoice Total
...	UI00032307	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM	Completed	166433128	PIPER FERRELL	Sent To Supplier	Partially Matched	109.92 USD	98.88 USD
...	UI00032297	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM	Completed	166383989	KATIJA JACQUELINE SNOW	Sent To Supplier	Partially Matched	900.00 USD	808.80 USD
...	UI00032292	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 11:13:15 AM	Completed	166410461	MATTHEW SCOTT FARR	Sent To Supplier	Partially Matched	150.00 USD	118.21 USD
...	UI00032290	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 10:22:51 AM	Completed	163867209	CHRISTIAAN D COLEMAN	Sent To Supplier	Partially Matched	2,000.00 USD	1,849.00 USD
...	UI00032273	UNIVERSITY CAMPUS STORE ⓘ	12/23/2022 1:42:09 PM	Completed	166262033	SUSAN BAXTER MADSEN	Sent To Supplier	Partially Matched	35.99 USD	32.39 USD
...	UI00032257	UNIVERSITY CAMPUS STORE ⓘ	12/22/2022 9:23:52 AM	Completed	166359475	JENNIFER EHLERS	Sent To Supplier	Partially Matched	4,286.99 USD	4,266.99 USD
...	UI00032240	UNIVERSITY CAMPUS STORE ⓘ	12/21/2022 10:29:33 AM	Completed	166312290	CLARISA RANI DEPARI	Sent To Supplier	Partially Matched	270.00 USD	269.95 USD

Add AP Status Column



Configure Column Display

Reflects the columns defined for the current search. Customizations will apply to the lifetime of the current search unless the search is saved. Columns marked with an * are custom defined data elements

AP

☐ Pin Columns as my defaults

☐ Ad Hoc Approval 1 *

☐ Ad Hoc Approval 2 *

☐ Ad Hoc Approval 3 *

☐ Ad Hoc Approval 4 *

☐ Ad Hoc Approval 5 *

☒ AP Status

☐ Approval Actions

☐ Approval Steps

☐ Hold Invoice for Approval *

☐ My Approval Date/Time

☐ Pending Approver

PO Number

Supplier

Created Date/Time

PO Status

Requisition Number

PO Owner

Shipment Status

Matching Status

Total Amount

Invoice Total

AP Status

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Apply

Cancel

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UNIVERSITY
OF UTAH®

Add AP Status Column



PO Number ▼	Supplier	Created Date/Time ▼	PO Status	Requisition Number	PO Owner	Matching Status	Total Amount ▼	Invoice Total	AP Status
UI00032307	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM	Completed	166433128	PIPER FERRELL	Partially Matched	109.92 USD	98.88 USD	Open
UI00032297	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM	Completed	166383989	KATIJA JACQUELINE SNOW	Partially Matched	900.00 USD	808.80 USD	Open
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UI00032257	UNIVERSITY CAMPUS STORE ⓘ	12/22/2022 9:23:52 AM	Completed	166359475	JENNIFER EHLERS	Partially Matched	4,286.99 USD	4,266.99 USD	Open
UI00032240	UNIVERSITY CAMPUS STORE ⓘ	12/21/2022 10:29:33 AM	Completed	166312290	CLARISA RANI DEPARI	Partially Matched	270.00 USD	269.95 USD	Open

Closing Multiple PO's At Once



PO	Supplier	Created
Number		Date/Time
...	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM
...	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM
...	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 11:13:15 AM

	PO	Supplier	Created
	Number		Date/Time
<input type="checkbox"/>	UI00032307	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM
<input type="checkbox"/>	UI00032297	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM
<input type="checkbox"/>	UI00032292	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 11:13:15 AM

Closing Multiple PO's At Once



< > Page 1 of 34 1-20 of 670 Results

	PO Number ▼	Supplier	Created Date/Time ▼
✓	UI00032307	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM
✓	UI00032297	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM
✓	UI00032292	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 11:13:15 AM
✓	UI00032290	UNIVERSITY CAMPUS	12/28/2022

	PO Number ▼	Supplier	Created Date/Time ▼
✓	UI00032307	UNIVERSITY CAMPUS STORE ⓘ	12/29/2022 3:49:54 PM
✓	UI00032297	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 1:52:54 PM
✓	UI00032292	UNIVERSITY CAMPUS STORE ⓘ	12/28/2022 11:13:15 AM
✓	UI00032290	UNIVERSITY CAMPUS	12/28/2022

Header Actions for Purchase Orders

- Create Quantity Receipt
- Create Cost Receipt
- Soft Close PO
- Close PO
- Hide Multiple Selection

Close Via Management Reports?



- Closing from Management Reports does not provide insight into the invoices and if they have completed UShop processing.
- Best practice is to close from UShop, where you can see all invoices associated with the PO and then determine if closing is appropriate.

Blanket Order PO's?



- A “blanket” PO isn’t a type of PO in UShop.
- All UShop PO’s have a begin date but no system-defined end date.
- A good business practice is that each PO corresponds to the purchase of a discrete set of goods or services that has an end date, and the funds allocated on the PO match the expected expenses for that period of time.
- Department practices vary, and there are often extenuating circumstances, but here are a few things to consider regarding PO end dates.

Blanket Order PO's?



- A PO that spans many years may also include changes in departmental leadership. Creating a new PO at a more frequent interval can help ensure that the continued engagement with the supplier is consistent with departmental objectives and goals.
- It's difficult to estimate expenses for a PO that spans many years, resulting in the encumbrance associated with that PO having little meaning. Even if an engagement does last multiple years, creating a PO for each fiscal year can result in a more meaningful encumbrance, and be helpful to others in your department who monitor financials and may create end of year projections.

Blanket Order PO's?



- An open-ended PO often requires increases, triggered by pending invoices, which will remain unpaid until the PO has been sufficiently increased. The vendor may experience a delay in receiving their payments.
- A PO created based on a quote/contract with specific requirements and an associated term can result in a stronger formal agreement between the University and the supplier to support the purchase.

Purchase Orders - Changes



What if I need to make a change to an existing PO?

- Use the new ***Change Request*** feature

My PO is Closed. How do I open the PO?

- Contact Purchasing

Questions?

