

How Do I Handle...

Change Orders

Procedure

When a change is to be made to an order 10K or under, or an order against a contract and the original purchase order did not come through Procurement:

- No changes can be made on the orders not originally processed by a buyer in the Procurement Department.
 - The department contacts the vendor directly to make any necessary changes with the order either verbally approving the change or printing the purchase order from HokieMart and manually notating the change, and returning it to the vendor. Changes in funding can be corrected by a journal entry after payment is made.
 - The department will do the following to make changes for payment.
- * **For orders that have had nothing delivered and need to be cancelled**
- The department will do a cancellation receipt in Hokiemarket.
 - The PO will be cancelled in Banner and the encumbrance released back on to the department's fund through an automated process that runs at 9am and 3pm daily. If the automated process is unable to do this for any reason, Procurement Operations staff will reach out to the department for additional information.
 - The department is responsible for the communication of all changes with the vendor, therefore, documentation of all interaction is encouraged.
- * **When adding additional line items, costs, or if the invoice received is more than original order, the change should be acknowledged to AP through the Hokiemarket Receipt**
- The department will over receive any items currently on the order and AP will pay the extra amount. AP may contact the department for additional approvals if the overage exceeds \$100.00.
 - For additional item(s) not on the original order, the department should document item receipt in a comment and acknowledge that payment for the item is approved. AP may contact the department for additional approvals.

- If the order has been closed, AP will instruct the department to do a new PO to cover the additional amount.
 - If any additional items are considered assets, the department should contact Fixed Assets.
 - The department is responsible for the communication of all changes with the vendor, therefore, documentation of all interaction is encouraged.
- * For orders deleting line items or releasing an additional amount on the PO not used**
- If a line item is cancelled, the department will do a cancelled quantity receipt in Hokiemarket to cancel the line item.
 - If a partial amount needs to be released, the department will do a cancelled cost receipt in Hokiemarket for the amount to be released.
 - The encumbrance will be released back on to the department's fund through an automated process that runs at 9am and 3pm daily. If the automated process is unable to do this for any reason, Procurement Operations staff will reach out to the department for additional information.
 - The department is responsible for the communication of all changes with the vendor, therefore, documentation of all interaction is encouraged.

When a change needs to be made to a purchase order over departmental delegation:

- The department completes the [Request for Purchase Order Change](#) form.
- Department sends the Request for Purchase Order Change directly to the Procurement Buyer who processed the order, or procurement@vt.edu.
- Attach supporting documentation as necessary, (example: new quotations, emails from the vendor)
- Note original total, insert only what changes in the description field, note new total
- State the reason for the change; be specific.

Note that the final change order issued by the Procurement Buyer is speaking to the Vendor, the Controller's Office, and the Department. Therefore, the Buyer is responsible for the final wording of the change order.