



a place of mind
THE UNIVERSITY OF BRITISH COLUMBIA

Supply Management
2075 Wesbrook Mall, Vancouver, BC V6T 1Z1

February 16, 2011

Dear UBC Colleague:

In order to minimize delays, eliminate errors requiring protracted resolution, increase compliance with University Purchase Order (PO) procedures, strengthen audit controls, and improve overall customer service, UBC Supply Management and Financial Services departments (in consultation with end-user groups), have concluded a process streamlining review for Purchase Requisition (PR) activity and payments for goods or services over \$3,500.

As a result of this review, Supply Management and Financial Services are implementing an enhanced PR and payment process by requiring all invoices to have an existing accurate PO established prior to the delivery of any good or service or payment request.

The following summarizes the changes that will occur over the next forty five (45) days as we transition to this program.

Process Changes to Note – Effective April 01, 2011:

1. POs are legally binding contracts between the University and vendors for the purchase of specific goods or services with specific terms and conditions. **Effective April 01, 2011, an invoice received for goods and/or services will be paid only when there is an existing PO established for said goods/services and the required goods/services have been received and payment approved by the requestor** (an exception to receipt of goods might be pre-payments or down payments).
2. Invoices must match the PO or they will not be paid; for example, date, price, quantity and vendor name. **If an invoice does not match the PO it will be returned to the vendor for correction.**
3. **PRs will require authorization from (2) two FMS signing authorities of the project/grant being charged or, if 2 signatures are not feasible, one signature of an administrative level higher than requestor.** The previous practice of only requiring one authorized signature created an internal control weakness.
4. **In the event you require a PO amendment (Change Order), the open PO can be changed only before the final invoice completing the original PO is received.** Once final invoice has been received no further change orders will be processed. If additional goods/services are required a new PR will need to be completed and submitted for a new PO to be processed. NOTE; POs with an associated Letter of Agreement (LOA) are not currently included in this process refer to Item 7 for further detail.
5. **Requests for PO amendment (Change Orders) must be received by Supply Management with 2 FMS signing approvals included or if not feasible one signature of an**

administrative level higher than requestor. This can be done using the new form titled Change Request to Active PO. This will cause the existing related PO to be updated and re-issued to the vendor. Failure to submit a Change Order request will result in the invoice being returned unpaid to the vendor.

6. **Effective April 01, 2011 vendors will be instructed to send invoices directly to the UBC end-user/contact person requesting/receiving the goods/services.** The requestor department will then confirm the receipt of goods, authorize the invoice for payment (sign OK to Pay), then forward the invoice to Financial Services Accounts Payable for processing. Invoices can be scanned and emailed to: poinvoice@finance.ubc.ca. Departments should keep the original invoice for audit purposes. This change will eliminate a handling step by Accounts Payable, thereby reducing processing time.

7. Information regarding Consulting payments will be covered in a separate communication issued in the near future.

For general inquiries regarding these new processes please email info.supplymanagement@ubc.ca .

As previously noted, the transition will be occurring over the next 45 days; effective April 1, 2011 these procedures will be followed.

We appreciate your support in this matter. If you have any questions, please contact Supply Management or Financial Services.

Yours truly,

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