

BUSINESS OFFICE PROCEDURES

CANCELED ORDERS

Section: Purchasing

Contact: 383-1932, 383-1951

Purpose: To provide a method for canceling purchase orders when items are no longer needed or merchandise is not available. Also, to facilitate the cancellation of outstanding orders at the end of the fiscal year when funding will not be available in the following fiscal year.

Audit Elements:

Returned Yellow copy of the purchase order marked "CANCEL," including the date and signature of the individual authorized to cancel the order.

Requesting Department Responsibility:

1. Indicate on the Yellow copy of the purchase order the reason for the cancellation, method of cancellation (written with copy attached, or verbal, with whom, etc.) and date. Mark the Yellow copy "CANCEL", date it and have it signed by an authorized person.
2. Contact the vendor directly or request the purchasing office make contact.
3. If the order was partially filled before cancellation, or if the order is being canceled because of year-end closures, forward all packing slips, Yellow copies and invoices to the Purchasing Department so that Accounting can process payment and close purchase order in a timely fashion.

Business Office Responsibility:

1. Receive the Yellow copy of the purchase order and confirm that it is marked "CANCEL."
2. Contact the vendor and document cancellation (if not previously handled by the requesting department.)
3. Advise the requesting department and Accounting if there is a restocking charge.
4. Cancel purchase order in the ESCAPE system.
5. Forward documentation to Accounts Payable.