

Purchase Requisitions: “Not to Exceed” and Open

Standard Protocol: Purchase Requisitions are submitted for *specifically identified items* with specific dollar amounts that have been researched and need to include sales tax and shipping.

Ex.) 200 shirts @ \$4.00 per shirt sub-totaled @	\$800.00
Tax @8.25%	\$ 66.00
<u>Shipping @ 10% \$ 80.00</u>	
Total	\$946.00

Not to Exceed (NTE) Exceptions: Purchase Requisitions may be submitted for *specifically identified items* with an *estimated dollar amount*. With the items listed you can estimate the amount needed and state it as an amount “not to exceed” (NTE) a certain dollar value. You need to be sure that your NTE amount includes tax and shipping, hence the \$1,000 below for the 200 shirts.

Ex.) 200 shirts NTE \$1000.00

Open Purchase Requisition Exceptions:

- 1. Open Purchase Requisition for a Specific Purpose:** If you have an *event coming up or specific category of needs* that you will be purchasing multiple things for at multiple places you can submit an open purchase requisition with you as the vendor. You would buy the items then submit receipts to June for reimbursement based on the requisition having already been approved. **These open P.O.'s should not exceed \$250 and would not be open for more than sixty days.** If you have a need that would exceed this dollar amount see John Thompson or Mark Douglas for approval prior to submitting the requisition for the Business Meeting.

Ex.) NTE \$250 for Dance Show supplies

Ex.) NTE \$250 for audio/video supplies

- 2. Open Purchase Requisition for a Non-Specific Purpose:** If you find yourself constantly needing to go out and buy an array of *random non-specific items* that would not be able to be classified under a specific heading you can submit an open purchase requisition with you as the vendor. You would buy the items then submit receipts to June for reimbursement based on the requisition having already been approved. **These open P.O.s should not exceed \$100. and would not be open for more than sixty days.**

Ex.) NTE \$100 for miscellaneous supplies during the season

- An example of this would be: The cheer program buys batteries for a microphone, bobby pins, hair ties, safety pins, shoe glue, a dowel for their flag, etc. None are in large enough quantity to warrant their own specific open P.O. yet are still valid needs of the program and would be extremely cumbersome to submit a separate requisition for each item.

General Rule of Thumb: Requisitions should be as specific as possible. Open Purchase Orders are the exception to the rule and should not be used as the normal procedure. Any items of any significant dollar amount should be submitted as its own requisition.

Exception to the rule: If a PO is very specific in vendor, purpose and timeframe, the PO may remain open dependent on conversation with bookkeeper.

Ex.) Cheer PO to vendor Varsity for “2016 Team Uniforms”. Pay first invoice for Varsity and JV uniforms 8/25/16, second invoice dependent on Frosh tryouts and how many girls make the team. Second invoice to be obtained by 9/30/16.

Ex.2) Junior Prom deposit and paid in increments. Documentation provides dates that specific amounts are due by.