


A logo consisting of two concentric orange circles. The text "P to P" is written in a bold, black, sans-serif font between the two circles.An orange oval containing the text "Prepare to Procure" and "February 22, 2017" in a black, serif font.

*Prepare to Procure*  
*February 22, 2017*

RIT Procurement Services  
475-2107

[http://www.rit.edu/fa/procurement/  
purchase@rit.edu](http://www.rit.edu/fa/procurement/purchase@rit.edu)

## **Oracle Purchase Requisition Procedure Change**

To ensure compliance with the University's Signatory Authority Policy (<https://www.rit.edu/fa/svp/content/signatory-authority>), PSO now requires that all purchase requisitions are routed for approval based on the full value of the financial commitment with which they are associated. This means that for annual and/or multi-year agreements, the purchase requisition must reflect the full term and total cost of the agreement or contract.

Please adhere to the processes below in order to ensure compliance with policy.

- ✓ **Annual and multiple year contracts where the billing amount is known in advance:** examples include fixed annual fees, scheduled maintenance payments, subscriptions
  - Use a single requisition line if all of the invoice amounts are equal. For example, a four-year agreement with four (4) annual payments of \$10K should reflect one requisition line with a quantity of 4, and a price of \$10K each. The line type is "SERVICES RECUR – No Rcpt".
  - If invoice amounts are not the same, use multiple requisition lines. For example, if the agreement above has a 3% increase each year, create four (4) lines on the requisition, each with a quantity of 1. The invoice amount on each line would be for the period that it covers (2017 - \$10K, 2018 - \$10.3K, 2019 - \$10.609K, and 2020 - \$10.927K). The line type is "SERVICES – No Receipt".
  - For ease of recordkeeping, it is acceptable to use multiple requisition lines for each period of the agreement, even if the billing amounts are equal. For example, the agreement above could be submitted with one line for each year of the agreement (2017 - \$10K, 2018 - \$10K, 2019 - \$10K, 2020 - \$10K) In this case, the line type should be "SERVICES – No Receipt".
- ✓ **Annual and multiple year contracts with unknown or variable invoice amounts:** examples include professional service blanket POs, click-charge or other use-based billing
  - Create a one-line requisition with a lump sum amount for the total estimated spend over the entire term of the agreement. Select line type "SERVICES – No Receipt"

Please note: departments should not intentionally understate the amount of anticipated agreement / contract amount in order to “streamline” the approval process. In order to fully comply with the Signatory Policy, it is important that the requisition be routed for approval to the individual who is authorized to approve the full contract amount.

While an encumbrance will automatically be created for the entire PO amount, this change will not impact your department’s operating budget in any given year since encumbrance amounts are provided for information only. New department statements are available with or without encumbrances:

- **RIT-Dept Statement** – Displays total encumbrances as well as two “available balance” columns: 1) available balance with encumbrances and 2) available balance without encumbrances
- **RIT-Dept Stmt – Excl Enc** – No encumbrance columns included in report

The department statements for the **Auxiliaries** and **NTID** have also been changed:

- **RIT-AUX Dept Stmt** – Displays total encumbrances as well as two “available balance” columns: 1) available balance with encumbrances and 2) available balance without encumbrances
- **RIT-AUX Stmt – Excl Enc** – No encumbrance columns included in report
- **NTID-Dept Stmt** – Displays total encumbrances as well as two “available balance” columns: 1) available balance with encumbrances and 2) available balance without encumbrances
- **NTID-Dept Stmt – Excl Enc** – No encumbrance columns included in report

If you have any questions about this change, or if you need assistance when creating a requisition, please contact Sherry Lupo at 475-2107 ([salpur@rit.edu](mailto:salpur@rit.edu)). If you have questions about Oracle reports, email [acctg@rit.edu](mailto:acctg@rit.edu) or call 475-2237.

