What is a Purchase Order?

A purchase order is a commercial document and first official offer issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer.

Why use a purchase order?

- NC General Statute 159-28 requires that no obligation be incurred unless an unencumbered balance remains in the budget sufficient to pay the obligation.
- Allows for proper review of available budgets and for compliance with Board policy and NC General Statute's regarding bid requirements.
- Buyers clearly and explicitly communicate their intentions to sellers.
- Provides economies in that they streamline the purchasing process to a standard procedure.
- Allows for better monitoring of available budgets as outstanding purchase orders will reduce the amount of budget available to spend.

What is a Blanket Purchase Order?

Blanket purchase orders may be established for non-contract goods/services when numerous low-dollar purchases from a single vendor are anticipated. Such blankets are issued without competitive bidding in an amount not to exceed the threshold for the requirements of informal quotes. The purchase order is issued with the one line description "Blanket Orders for _____ not to exceed $_____". A series of purchases is applied against the blanket PO until the PO is closed or is exhausted. These should only be used when tracking expenses by location is not required.

Why use a blanket purchase order?

- NC General Statute 159-28 requires that no obligation be incurred unless an unencumbered balance remains in the budget sufficient to pay the obligation.
- Allows for better monitoring of available budgets as outstanding purchase orders will reduce the amount of budget available to spend.
- Eliminates the need to issue numerous small dollar purchase orders or voucher requests.
- Schools are NOT allowed to issue blanket purchase orders.

What is a Voucher Payment Request?

Some goods and services may be purchased without a purchase order. Such purchases are presented to Accounts Payable for payment using the Voucher Payment Request Form.

Non-Purchase Order Related Payments (not all inclusive):

- Advertising
- Payment of fees
- Reimbursements
- Workshop expenses, i.e., registration fees, airfare, hotel expenses
- Use of district store credit cards
- Services – non-construction or repair
- Permits
- Small dollar purchases – individual purchase less than $500 and annual expenses with vendor projected to be less than $5,000