

UCDAVIS

Supply Chain
Management

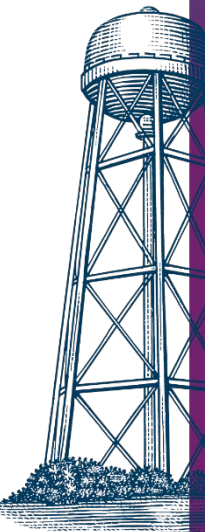
Processing Amendments for Purchase Orders and Purchase Agreements

Spring 2021



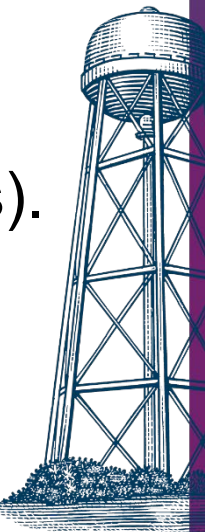
What is an Amendment?

- An **Amendment** is a change order document issued against a previously-created **Purchase Order (PO)** or **Purchase Agreement (PA)** document in the Kuali Financial System (KFS).
- Changes frequently completed on **Amendments** include:
 - **Account Changes (Removal/Addition)**
 - **Quantity Increases**
 - **Addition of New Item Lines.**



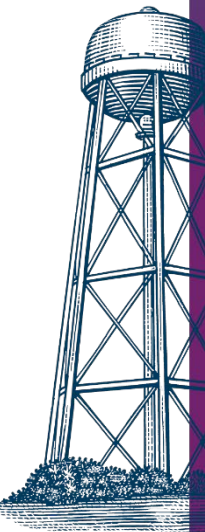
Where is the Amendment Document?

- There isn't a document named "**Amendment**" on the **KFS Main Menu**.
- From the **Document Search** screen in KFS, locate the **Purchase Order (PO)** or **Purchase Agreement (PA)** that you wish to amend.
 - There will be an **AMEND** button at the bottom of the screen.
 - Any KFS user with the **Purchasing User** role can process an **Amendment** (not limited to the initiator of the PO or PA or approvers on those documents).



When is an Amendment Required on a PO?

- **Difference is more than \$100 GREATER between PO and Invoice**
 - *Amendment does not need to be processed if the difference is \$100 LESS than the PO amount.*
- **Additional quantities** of an item line have been requested/received
 - *Amendment is not required if quantities are LESS.*
- **New Line Items** are being added to a **Purchase Order**
- **Changing Item Type** on PO from **Qty** to **Non-Qty** or vice-versa
- **Changing Account(s)**



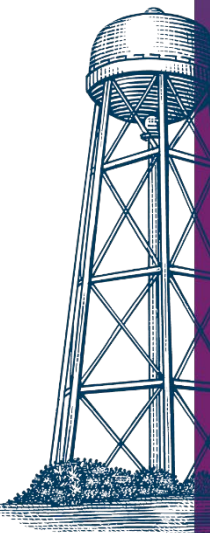
When is an Amendment NOT Required on a PO?

- **Cost difference is less than \$100 between PO and Invoice.** In that case, the payment adjustment can be made directly on the **Payment Request** document.
- **Changing Sales Tax to Use Tax Calculation and Vice-Versa.** There is an indicator on the **Payment Request** document that allows changes to the **type** of tax (**Sales** or **Use**) that calculates on the **Payment Request** document.
- **Voiding or Closing Order.** You can void or close an order by clicking on the **Void** or **Close** button at the bottom of the **Purchase Order** screen. The **Void** button will appear if no payments have been received against the **Purchase Order**, and the **Close** button will appear if any payments have been made.



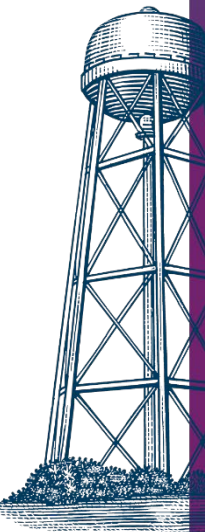
When is an Amendment Required on a PA?

- Extending the period that the **Purchase Agreement** can be used (extending **End Date**)
- Changing the dollar amount allowed for Requisitions created against the agreement to bypass routing to Procurement & Contracting Services (P&CS). This is known as the Automatic Purchase Order (APO) limit.
 - For example, if the **APO Limit** is \$10,000, and you want **Requisitions** up to \$20,000 to bypass P&CS, you will need to process an **Amendment** to increase the **APO Limit** to \$20,000.



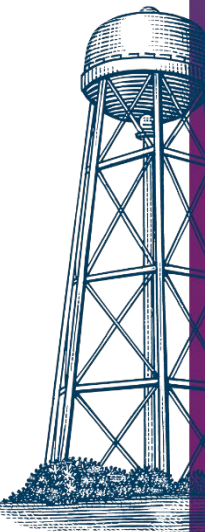
When is an Amendment Required on a PA?

- The amount paid against the **Purchase Agreement** has been exhausted, and you wish to continue orders/payments against it.
 - The **Not to Exceed Amount** field will need to be updated with the new desired amount.
- New **Commodity Codes** or **Organization Codes** should be added to the agreement to allow if additional commodities are to be purchased, or if additional organizations (departments) wish to use the **Purchase Agreement**.



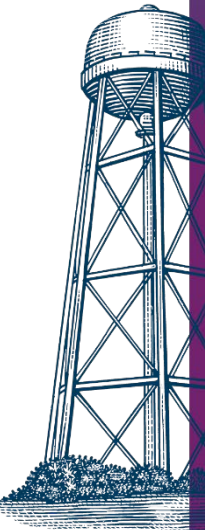
When is an Amendment NOT Required on a PA?

- **Changing the Account(s) specified on the Purchase Agreement.** The account(s) are only used on the **Purchase Agreement (PA)** for routing purposes; no encumbrances are created.
 - If you wish to use a different account, you can enter the desired account on the **Requisition** issued against the **Purchase Agreement** document.



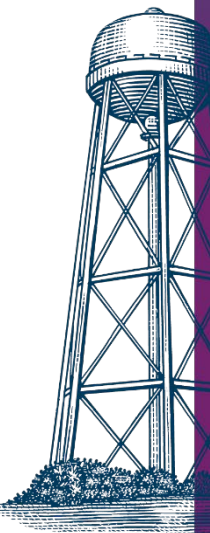
Why Can't I Process an Amendment?

- **Purchase Order or Purchase Agreement is Closed**
 - Click on the **Open Order (PO)** or **Reopen Agreement (PA)** button at bottom of PO or PA document screen; once PO or PA is reopened, you can then process an **Amendment**.



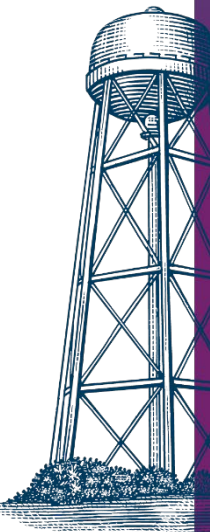
Why Can't I Process an Amendment?

- KFS will generate an error message and will not allow an **Amendment** to be processed when:
 - Another **Amendment** against that PO or PA is enroute.
 - Another **Amendment** against that PO or PA is in **SAVED** status.
 - **Payment Request** against that PO or PA is currently enroute.
- Once the enroute or saved document is either fully approved, disapproved, or canceled, the **Amendment** can then be processed.



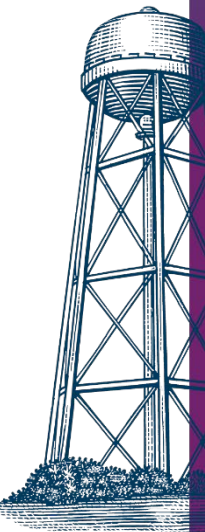
Adding Notes to an Amendment is Important

- When clicking on the **Amend** button, a question prompt will ask **why** you are amending the order.
- The information in this field will automatically append to the **Notes and Attachments** section of your **Amendment** document.
- The note should clearly indicate **WHAT** you are changing (e.g. adding an additional printer, changing account, etc.).
- This information is helpful for the document approvers/reviewers to ensure that what you indicate you wanted to do is what you've actually done!



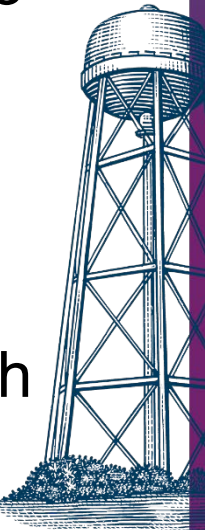
Amendment Routing

- The **Amendment** will go through the same routing as the original PO or PA, unless you have added a new commodity code(s) or entered accounts that have different approvers from the original one(s).
- **Amendments** changing ONLY accounting line information will ONLY route to the **Fiscal Officer/Delegate (and any applicable organization review routing)** for approval and will **not** route to Procurement & Contracting Services.



Amendment Best Practices

- **Timing!** If processing an **Amendment** against a **Purchase Order**, the **Amendment** should be processed and fully approved **BEFORE** the **Payment Request** is processed, in order to ensure that the data on the **Payment Request** document is accurate.
- **Use the Inactivate button sparingly!** The **Inactivate** button should **ONLY** be used if the specific item has **NOT** already been paid against **AND** is **NOT** going to be received on a future invoice.
- If a payment (**Payment Request**) has already been made against a specific line item, do **NOT** click the **Inactivate** button or it can cause encumbrance issues with the applicable PO and is **NOT** recommended.



Amendment Resources

Visit the **Amendment** Informational Pages at:

- <https://financeandbusiness.ucdavis.edu/systems/kuali/docs/purchasing/amend>
- <https://supplychain.ucdavis.edu/procure-contract/biz-rev-contracts/contract-request#amendment>

Thanks for your time and attention!

