KFS PURCHASE ORDER AND PURCHASE AGREEMENTS

PROCESSING AMENDMENTS

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Today’s Agenda

1. What is an Amendment?
2. Where is the Amendment Document?
3. When is an Amendment REQUIRED?
4. When is an Amendment NOT REQUIRED?
5. Why aren’t I able to process an Amendment?
6. Amendment Notes are Important!
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WHAT is an Amendment?

- An Amendment is a change order document issued against a previously-created Purchase Order (PO) or Purchase Agreement (PA) document (or in some cases against a previously-created PO Amendment or PA Amendment).

- Changes frequently seen on Amendment documents include:
  - Account Changes (Removal/Addition)
  - Quantity Increases
  - Addition of New Item Lines

- An Amendment allows a KFS user to change most of the information on the previous version of the PO and PA document.
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 PO or PA

- Any KFS user can process an Amendment (not limited to the initiator of the PO or PA or approvers on those documents)
When is an Amendment REQUIRED against a PO?

- **Difference is more than $100** GREATER between PO and Invoice (an Amendment does not need to be processed if the difference is $100 or more LESS than the PO amount)

- **Additional quantities** of an item line have been requested/received (not required if quantities are LESS)

- **New items** are being added to a **Purchase Order** (e.g., adding a printer to a Purchase Order for a computer server)

- **Changing Item Type** on PO from **Qty** to **Non-Qty** or vice-versa
WHEN is an Amendment REQUIRED against a PA?

- You wish to extend the period that the Purchase Agreement can be used (extending End Date)

- You want to change the amount allowed on an Automatic Purchase Order (APO) processed against the Purchase Agreement without routing to Contracting Services
  - If the APO Limit is $10,000, and you want Purchase Agreements up to $20,000 to bypass Contracting Services (become an APO), you will need to process an Amendment to increase the APO Limit to $20,000

- 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 additional commodities to be purchased/additional organizations (departments) to use the Purchase Agreement
When is an Amendment NOT Required against a PO?

- **Changing account.** You can change the account(s) directly on the Payment Request document, *as long as you are not changing to a Federally-funded account*. If changing to a Federally-funded account, you will need to process an Amendment first before processing the Payment Request document.

- **Cost difference is less than $100 between PO and Invoice.** In that case, the payment adjustment can be made right on the Payment Request document.
WHEN is an Amendment NOT Required against a PO?

- **Changing Sales Tax to Use Tax Calculation and Vice-Versa.** There is an indicator on the Payment Request document that allows you to change 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 document. 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 against it.
WHEN is an Amendment NOT Required against 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 Purchase Order issued against the Purchase Agreement document OR enter the desired account on the Payment Request document (keeping in mind the restrictions previously mentioned).
Why Aren’t I Able to Process an Amendment?

- **Purchase Order or Purchase Agreement** is Closed

- Click on the Open Order (PO) or Reopen Agreement (PA) button at bottom of document; once PO or PA is reopened, you can then process an **Amendment**
Why Aren’t I Able to 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
Amendment Notes are 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 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.
Stay Informed!

- Visit the **Amendment** Informational Page at:

- Sign up for the FIS user list at
Thank You for Your Time!