

Prepared by the Disbursing Office  
This replaces Administrative Procedure No. A8.836  
dated July 1996

A8.836  
September 2006

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A8.800 Disbursing/Accounts Payable and Payroll

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A8.836 Purchase Orders and Related Forms

1. Purpose

To provide procedures to encumber purchase orders, process payments, adjust encumbrances and record these purchase order transactions into the Financial Management Information System. Additionally, to provide processing guidelines for the related Purchase Order Change Form and the Receiving Report.

2. Responsibilities

- a. Each campus/department office is responsible to ensure that Purchase Orders, Purchase Order Change Forms, and the Receiving Reports are processed in accordance with established procedures. The fiscal officer is the individual authorized to issue purchase orders within the limitation (dollar amount) of his/her purchasing authority and is accountable for compliance with the procedures.
- b. Fiscal officers and program managers (approving authority) who approve payments on purchase orders and related forms are responsible for compliance with applicable Federal and State laws, rules, regulations and University policies and procedures.
- c. The Office of Procurement and Real Property Management (OPRPM) is responsible for processing the encumbrance documents \$25,000 and higher.
- d. The Disbursing Office is responsible for the auditing and the processing of the encumbrance documents less than \$25,000.

3. General Procedures

- a. The Purchase Order (Attachment 1) is the basic purchasing document of the University to procure goods and services for less than \$25,000 (refer to A8.250 - Small Purchase and for instructions to complete the purchase orders) (Attachment 1).

Departmental checking accounts are normally used to process payments of \$100.00 or less (refer to A8.844 - A8.848 for details). Petty cash funds are normally used to process payments of \$25.00 or less (refer to A8.811 - A8.819 for details).

- b. All goods and services are to be appropriately purchased with a purchase order unless there is a need for another type of document or purchasing/payment method. Sections of the Administrative Procedures Manual prepared by the Office of Procurement and Real Property Management (OPRPM) offer guidance for further procurement document usage. Sections of the Administrative Procedures Manual prepared by the Disbursing Office offer guidance for the use of other payment documents.
- c. Upon acceptance by the vendor, the purchase order becomes a contract which is binding on the University. The same attention to detail should be given to the preparation of the purchase order as is given to the preparation of any contract document.
- d. The Purchase Order Change Form (Attachment 2) is used to record changes to the purchase order (refer to A8.250.15b. - Purchase Order Changes and for instructions to complete this form) (Attachments 250.9 and 250.10).
- e. All Requisitions (with appropriate documentation), Purchase Orders and Purchase Order Change Forms (\$25,000 and higher) must be promptly submitted to OPRPM for review, approval and encumbrance processing. See the OPRPM instructions A8.250 - Small Purchase (purchase less than \$25,000 for goods, services and construction).

f. All Purchase Orders, Purchase Order Change Forms (less than \$25,000) and all Receiving Reports must be promptly submitted to the Disbursing Office for audit review, encumbrance and payment processing. See the Disbursing Office instruction A8.839 - Accounts Payable Processing.

4. Assignment of Payment

On occasion, a vendor/contractor to whom the University has awarded a purchase order or a contract requests that payment(s) under the specific purchase order or contract be assigned to a third party. Pursuant to section 40-58, HRS, the vendor/contractor may not assign payment(s) for a specific purchase order or contract to a third party unless the assignment is first approved by the Vice President for Budget and Finance/Chief Financial Officer. The assignment should be processed on an OPRPM Form 90, Assignment of Money by Party to Whom University is Directly Indebted, (Attachment 3). (Refer to A8.275, Attachment 275.7 for instructions to complete this form.)

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Attachment 1

UNIVERSITY OF HAWAII

CAMPUS

DATE

PURCHASE ORDER

No. PB 39032

## NOTICE TO VENDORS

TIME IS OF THE ESSENCE AND THIS ORDER IS CONTINGENT UPON YOUR ACCEPTANCE OF THE SPECIFIED TERMS AND CONDITIONS AND YOUR ABILITY TO MEET THE BELOW STATED DELIVERY DATE; OTHERWISE THIS PURCHASE ORDER IS VOID. **DELIVER ADDRESS, PURCHASE ORDER NUMBER, AND REQUISITIONER MUST APPEAR ON ALL PACKAGES, INVOICES AND SHIPPING NOTICES.**

THIS ORDER IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE.

IF YES, THE ATTACHED FEDERAL PROVISIONS SHALL ALSO APPLY. FEDERAL FUNDS APPLY: YES ☐ NO ☐

DELIVER TO:

(ALL TRANSPORTATION CHARGES MUST BE PREPAID F.O.B. DESTINATION)

REQUISITIONER

REQUISITIONER'S TEL. NO.

DELIVER ON/BEFORE

DELIVER PREPAID VIA

CONTRACT/PRICE LIST/QUOTATION NO.

DISCOUNT TERMS

BILLING ADDRESS - SEND ONE ORIGINAL AND TWO COPIES OF INVOICE TO:

VENDOR:

ITEM NO.	QUANTITY		DESCRIPTION UNIT PRICES ARE E (ESTIMATED) OR F (FIRM)	OBJECT CODE	E / F	UNIT PRICE	AMOUNT
	ORD.	REC.					
SAMPLE							
I AUTHORIZE ISSUANCE OF THIS ORDER AND CERTIFY THAT THIS PURCHASE IS IN ACCORDANCE WITH APPLICABLE LAW AND UNIVERSITY POLICY.						TOTAL ➡	

TYPED NAME

PB 39032

MAILING ADDRESS

PHONE NO.

BY PURCHASING OFFICER SIGNATURE

DATE

## FOR UNIVERSITY USE ONLY

I CERTIFY THAT THIS PURCHASE SUPPORTS THE UNIVERSITY PROGRAM INDICATED IN THE ACCOUNT CODE BLOCK

I CERTIFY THAT SUFFICIENT FUNDS ARE AVAILABLE IN THIS ACCOUNT FOR THIS PURCHASE AND THAT THIS PURCHASE IS IN ACCORDANCE WITH APPLICABLE UNIVERSITY POLICIES AND PROCEDURES.

APPROVING AUTHORITY

TITLE

FISCAL OFFICER (If Fiscal Officer is same as Purchasing Officer ✓ Box ☐)

F.O. CODE NO.

EQUIPMENT TO BE LOCATED (BLDG. &amp; RM):

OR

INCORPORATED INTO EXISTING EQUIPMENT:

FEDERALLY OWNED EQUIPMENT ☐

DECAL NO. OR P.O. NO. IF DECAL NOT ISSUED

ACCOUNT CODE

OBJECT

AMOUNT

VENDOR CODE

FEDERAL TAX IDENTIFICATION NO.

VENDOR COPY

TERMS AND CONDITIONS  
APPLICABLE TO ALL PURCHASE ORDERS

1. INVOICES must be rendered in triplicate not later than the day following shipment. In accordance with Sections 1.6047-1.6050 of the IRS Code, the vendor shall provide the University of Hawaii (UH) with its Federal Taxpayer Identification Number and its 1) Hawaii General Excise/Use Identification Number or 2) its Social Security Number on the invoice.
2. EXTRA CHARGES. No additional charges of any kind, including charges for boxing, packing, cartage, or other extras will be allowed unless specifically agreed to in writing, in advance by UH.
3. PAYMENT. C.O.D. shipments will not be accepted. Drafts will not be honored. In accordance with Section 103-10, Hawaii Revised Statutes, payment to vendors shall be made no later than 30 calendar days following receipt of invoice or satisfactory receipt of goods and services.
4. PRICE. If price is not stated in this order, it is agreed that the goods shall be billed at the price last quoted, or billed at the prevailing market price, whichever is lower. This order must not be filled at a higher price than last quoted or charged without UH's specific authorization.
5. APPLICABLE LAWS. Vendor represents that the merchandise covered by this order was not manufactured and is not being sold or priced in violation of any federal, state or local law.
6. FAIR LABOR STANDARDS ACT. Vendor agrees that goods shipped to UH under this order will be produced in compliance with the Fair Labor Standards Act.
7. WARRANTY SPECIFICATIONS. Vendor expressly warrants that all the materials and articles covered by this order or other description or specification furnished by UH will be in exact accordance with such order, description or specification and free from defects in material and/or workmanship, and merchantable.
8. CANCELLATION. UH reserves the right to cancel all or any part of the undelivered portion of this order if Vendor does not make deliveries as specified, time being of the essence for this P.O., or if Vendor breaches any of the terms hereof including, without limitation, the warranties of Vendor.
9. ACCEPTANCE. The items or services covered by this order shall be furnished by Vendor subject to all the terms and conditions set forth in this order including the following, which Vendor in accepting this order agrees to be bound by and to comply with all particulars and no other terms or conditions shall be binding upon the parties unless hereafter accepted by them in writing. Written acceptance or shipment of all or any portion of the items or services covered by this order shall constitute unqualified acceptance of all its terms and conditions. The terms of any proposal referred to in this order are included and made part of the order only to the extent of specifying items, the nature of the items, the services ordered, the price thereof and delivery date, and then only to the extent that such terms are consistent with the terms and conditions of this order.
10. WAIVER. The failure of the UH to enforce at any time any of the provisions of this order, or to exercise any option herein provided, or to require at any time performance by the Vendor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this order or any part thereof, or the right of the UH thereafter to enforce each and every such provision.
11. WARRANTIES. Vendor warrants the articles delivered hereunder to be free from defects in labor, material and manufacture, and to be in compliance with any drawings or specifications incorporated or referenced herein and with any samples furnished by the Vendor. All warranties shall run to the UH, its successors, and assigns.
12. DISCOUNT DATE. The date for calculation of any cash discount offered by the Vendor and provided for on the face of this order is (i) the date material is received or (ii) the date an acceptable invoice is received, whichever is later.
13. INSPECTION. All work performed and all deliverable items are subject to inspection and acceptance at destination notwithstanding any payments or inspection at source. Final inspection and acceptance shall be conclusive except as to latent defects, fraud, such gross mistakes as amount to fraud, and the Vendor's warranty obligations. Supplies to be furnished hereunder shall be subject to inspection by the UH and/or government inspectors upon the premises of the Vendor. Vendor, without additional cost, shall provide all reasonable facilities and assistance for the safety and convenience of such inspectors. At the time of inspections, Vendor shall make available to the inspectors copies of all drawings, specifications and process, preservation and packaging data applicable to the articles ordered herein.
14. ASSIGNMENT. This order is assignable by the UH. Except as to any payment due hereunder, this order is not assignable by Vendor without written approval of the UH. In case such consent is given, it shall not relieve Vendor from any of the obligations of this order and any transferee or subcontractor shall be considered the agent of Vendor and, as between the parties hereto, Vendor shall be and remain liable as if no such transfer or subletting has been made.
15. CHANGES. The UH may make changes within the general scope of this order by giving notice to Vendor and subsequently confirming such changes in writing. If such changes affect the cost of, or the time required for performance of this order, an equitable adjustment in the price or delivery or both shall be made. No change by Vendor shall be recognized without written approval of the UH. Any claim of Vendor for an adjustment under this article must be made in writing within THIRTY (30) days from the date of receipt by Vendor of notification of such change unless the UH waives this condition. Nothing in this article shall excuse Vendor from proceeding with performance of the order as changed hereunder.
16. SHIPPING INSTRUCTION. Shipments must be made as specified on the face of the order unless subsequently modified in writing by the UH.
17. LABOR DISPUTES. Vendor shall give prompt notice to the UH of any actual or potential labor dispute which delays or may delay timely performance of this order.
18. TERMINATION AND DELAYS. The UH may by written notice stating the extent and effective date, terminate this order for convenience in whole or in part, at any time. The UH shall pay Vendor as full compensation for performance under such termination: (1) the unit or pro rata order price for the delivered and accepted portion and (2) a reasonable amount, not otherwise recoverable from other sources by Vendor as approved by the UH with respect to the undelivered or unaccepted portion of this order, provided compensation hereunder shall in no event exceed the total order price.

The UH may, by written notice, terminate this order for Vendor's default, in whole or in part, at any time, if Vendor refuses or fails to make progress as to endanger performance and does not cure such failure within a reasonable period of time, or fails to make deliveries of the items or services or perform the services within the time specified or any written extension thereof. In such event, the UH may purchase or otherwise secure items or services and, except as otherwise provided herein, Vendor shall be liable to the UH for any excess costs occasioned the UH thereby. If, after notice of termination for default, the UH determines that the Vendor was not in default or that the failure to perform this order is due to causes beyond the control and without the fault or negligence of Vendor (including, but not restricted to, acts of God or of the public enemy, acts of the UH, acts of Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and delays of a subcontractor or supplier due to such causes and without the fault or negligence of the subcontractor or supplier), termination shall be deemed for the convenience of the UH, unless the UH shall determine that the items or services covered by this order were obtainable from other sources in sufficient time to meet the required delivery schedule. If the UH determines that Vendor has been delayed in the work due to causes beyond the control and without the fault or negligence of the Vendor, the UH may extend the time for completion of the work called for by this order, when promptly applied for in writing by Vendor; and if such delay is due to failure of the UH, not caused or contributed to by Vendor, to perform services or deliver property in accordance with the terms of the order, the time and price of the order shall be subject to change under the changes article. Sole remedy of Vendor in event of delay by failure of the UH to perform shall, however, be limited to any money actually and necessarily expended in the work during the period of delay, solely by reason of delay. No allowance will be made for anticipated profits. The rights and remedies of the UH provided in this article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.

As used in this article, the word "Vendor" includes Vendor and Vendor's subsuppliers at any tier.

19. LIABILITY FOR UH FURNISHED PROPERTY. Vendor assumes complete liability for any tools, articles or material furnished by the UH to Vendor in connection with this order and Vendor agrees to pay for all such tools, articles, or material spoiled by it or not otherwise accounted for to the UH's satisfaction. The furnishing to Vendor of any tools, articles, or material in connection with this order shall not, unless otherwise expressly provided, be construed to vest title thereto to Vendor.
20. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION CERTIFICATION. The Vendor agrees that the equal opportunity clause which prohibit discrimination on the basis of race, color, religion, sex or national origin and the affirmative action requirements of Executive Order 11246, as amended, and implementing regulations at 41 CFR 60, are incorporated by reference in each non-exempt contract, subcontract, or purchase order which is presently existing or which may be entered into hereafter, between the Vendor and the University of Hawaii. The Vendor agrees to perform the applicable obligations of the equal employment opportunity and affirmative action clauses, as amended, covering nonsegregated facilities (41 CFR 60-1.8), minorities and women (41 CFR 60-1.4), persons with disabilities (41 CFR 60-741.4), and Vietnam era and special disabled veterans (41 CFR 60-250.4). Contractors and construction contractors with 50 or more employees, and contracts of \$50,000 or more, agree to comply with requirements for EEO-1 reports [41 CFR 60-1.7(a)], affirmative action programs [41 CFR 60-1.409(a)], affirmative action program for Vietnam era and special disabled veterans (41 CFR 60-250.5), and affirmative action program for handicapped workers (41 CFR-741.5). The Vendor agrees to indemnify and hold harmless from any claims or demands with regard to the Vendor's compliance with these provisions.
21. INDEMNIFICATION. The Vendor shall indemnify, defend and hold harmless the UH and the State of Hawaii, and their officers, employees, agents, or any person acting on their behalf from and against: (1) any claim or demand for loss, liability or damage, including, but not limited to, claims for property damage, personal injury or death, by whomsoever brought, arising from any act or omission of Vendor, its officers, employees, or agents connected with the performance of this order, except liability arising out of the negligence of the UH or its employees; (2) all claims, suits and damages by whomsoever brought or made by reason of the nonobservance or nonperformance of any of the terms, covenants and conditions herein or the rules, regulations, ordinances and laws of the federal, state, municipal or county governments. Furthermore, the Vendor shall reimburse the UH and the State of Hawaii, and their officers, employees, agents, or any person acting on their behalf for all attorneys' fees, costs, and expenses incurred in connection with the defense of any such claims.
22. PATENT INDEMNITY. Vendor shall pay all royalty and license fees relating to the items covered hereby; in the event any third party shall claim that the manufacture, use and sale of the goods covered hereby, infringe any copyright, trademark or patent, the Vendor shall indemnify the UH and hold the UH harmless from any cost, expenses, damage or loss incurred in any manner by the UH on account of any such alleged infringement.
23. DISPUTES. All disputes arising under or related to this order shall be resolved in accordance with this clause.
  - a. A claim by the Vendor shall be made, in writing, and submitted to the UH Director of Procurement and Real Property Management for a written decision.
  - b. The UH Director of Procurement and Real Property Management shall render a decision within 90 days of the request. The finding and decision shall be written and shall be furnished to the Vendor providing evidence of receipt.
  - c. The decision shall be in accordance with UH Administrative Procedure A8-275. The decision of the UH Director of Procurement and Real Property Management shall be final.
24. INTERPRETATION OF CONTRACT AND ASSIGNMENTS. This order shall be construed according to the laws of the State of Hawaii.

# UNIVERSITY OF HAWAII

CAMPUS:

## PURCHASE ORDER CHANGE

DEPARTMENT	DATE OF CHANGE	RE: PURCHASE ORDER NO.
VENDOR	REQUISITION NO.	VENDOR CODE NO.
	REQUISITIONER/TEL. NO.	
	TYPE OF CHANGE <input type="checkbox"/> TOTAL CANCELLATION <input type="checkbox"/> PARTIAL CANCELLATION <input type="checkbox"/> QUANTITY & AMOUNT <input type="checkbox"/> DESCRIPTION, SPECIFICATION, DELIVERY INSTRUCTION <input type="checkbox"/> ACCOUNT OR OBJECT CODE (DO NOT SEND TO VENDOR)	

YOU ARE HEREBY REQUESTED TO MAKE THE FOLLOWING CHANGE  
IN THE ABOVE DESIGNATED PURCHASE ORDER

ITEM NO.	QUANTITY	DESCRIPTION	OBJECT CODE	UNIT PRICE	AMOUNT
		ORIGINAL ORDER READS:			
		CHANGE ORDER TO READ:			
		NET CHANGE: \$ _____ <input type="checkbox"/> INCREASE; OR <input type="checkbox"/> DECREASE			

### SUMMARY OF ACCOUNT CODE/OBJECT CODE CHANGES

ACCOUNT CODE	OBJECT	AMOUNT	DEBIT(D) CREDIT(C)

REASON FOR CHANGE:	<div style="border-bottom: 1px solid black; margin-bottom: 10px;">PURCHASING OFFICER SIGNATURE</div> <div style="border-bottom: 1px solid black; margin-bottom: 10px;">DATE</div>
APPROVING AUTHORITY _____ TITLE _____ COPY FOR: <input type="checkbox"/> VENDOR <input type="checkbox"/> FISCAL OFFICER <input type="checkbox"/> DISBURSING OFFICE <input type="checkbox"/> OPRPM <input type="checkbox"/> REQUISITIONER	FISCAL OFFICER _____ FO CODE NO. _____ REVISION DATE 01/2004

**ASSIGNMENT OF MONEY BY PARTY TO WHOM UNIVERSITY IS DIRECTLY INDEBTED**

TO THE UNIVERSITY OF HAWAII:

\_\_\_\_\_  
(Name of Party to Whom UNIVERSITY is Indebted)

\_\_\_\_\_  
(Address) (City) (State) (Zip Code)

hereinafter referred to as "CONTRACTOR", requests the UNIVERSITY to pay

\$ \_\_\_\_\_, now due or to become due and owing  
(Specify total amount or the words "All sums")

to the CONTRACTOR from the UNIVERSITY OF HAWAII under \_\_\_\_\_  
(Contract No., Purchase Order No.)

(hereafter referred to as the "CONTRACT") to the order of \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address) (City) (State) (Zip Code)

hereinafter referred to as "PAYEE", subject to the conditions set forth herein.

The CONTRACTOR warrants and represents that he/she/it has not heretofore sold, assigned, or otherwise disposed of the money due or to become due under the CONTRACT, and that there are no orders, garnishments, or attachments outstanding affecting the same in any way.

The UNIVERSITY consents to pay the amount designated by the CONTRACTOR, and by such consent the UNIVERSITY does not assume any obligation, duty or liability whatsoever under any agreement, written or otherwise, between or among the CONTRACTOR and the designated PAYEE or any other person(s) or entity, notwithstanding any provision, term or condition in or constituting said agreement. The UNIVERSITY's consent to paying as designated by the CONTRACTOR is also subject to any withholding request by the DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS for violations under Chapter 104, Hawai'i Revised Statutes; by the DEPARTMENT OF TAXATION for delinquent taxes; and by any other department of the STATE OF HAWAII or any claim outstanding against the CONTRACTOR or designated PAYEE. Further, it is expressly understood that the UNIVERSITY may withhold any sums due to the agency from the CONTRACTOR, whether by liquidated damages, offset or otherwise, and that the UNIVERSITY's consent hereto is limited strictly to those sums which may be owing to the CONTRACTOR pursuant to the CONTRACT.

The CONTRACTOR hereby releases and forever discharges the UNIVERSITY and the STATE OF HAWAII from any and all liability whatsoever on account of any and all moneys paid to the PAYEE, pursuant to this ASSIGNMENT.

Evidence of authority to sign this ASSIGNMENT on behalf of the CONTRACTOR must be submitted with this ASSIGNMENT in a form satisfactory to the UNIVERSITY.

\_\_\_\_\_  
(Signature) (Title) (Date)

Consent to the above ASSIGNMENT is hereby granted.

\_\_\_\_\_  
(Vice President for Budget and Finance/Chief Financial Officer, University of Hawai'i) (Date)



OPRPM FORM 90  
(Rev. 01/2005)

## INSTRUCTIONS AND EXPLANATION FOR FILLING IN FORM 90

### ASSIGNMENT OF MONEY BY PARTY TO WHOM THE UNIVERSITY IS DIRECTLY INDEBTED

#### 1. Signatures and Notarizations.

- a. **Corporation:** If the CONTRACTOR is a corporation, the officers or other persons authorized to sign on behalf of the corporation, as evidenced by a corporate resolution, should sign and have their signatures acknowledged before a notary, using a corporate acknowledgment form.
- b. **Partnership:** If the CONTRACTOR is a partnership, the partners should sign and have their signatures acknowledged before a notary, using a partnership acknowledgment form.
- c. **Sole Proprietor:** If the CONTRACTOR is an individual, i.e., doing business as a sole proprietorship, the owner's signature should be acknowledged before a notary, using an individual acknowledgment form.

#### 2. Number of Copies.

Three (3) copies of the form are to be prepared and submitted to the Office of Procurement and Real Property Management, University of Hawai'i, 1400 Lower Campus Road, Room 15, Honolulu, Hawai'i 96822.

#### 3. Distribution.

Copy #1 OPRPM  
#2 PAYEE  
#3 CONTRACTOR

#### 4. Cancellation or Reduction of Assignment.

Cancellation or reduction of this assignment must be requested, in writing, supported by a written statement from the PAYEE consenting to the cancellation or reduction.