Entering the 3 Required Comments for PO Change Orders $50,000 or Greater

As you know, all PO change orders totaling $50,000 and greater will route to Purchasing Services for approval. These changes require additional justification and documentation. Keys to success:

- A change order form is needed. Complete the form and ensure it is attached to the PO in EFS.
- The procurement specialist needs to add two new header level comment rows on these change orders. New requirements for these comments:
  - Comment 1: Is for EFS approvers. Everyone needs to use the same formatting and information sequence to help approvers understand what the changes really are. See below for details.
  - Comment 2: Is for the supplier and audit. See below for details.
- If the PO originally went through the “Exception to Regents Purchasing Policy” process and you’re increasing the PO total, every change order must include a new signed Exception form. This assists with audit (and most of these orders do get audited).
- If the change order is for internal-to-the-U updates only (changing chartstrings, swapping out a Buyer, changing unit of measure from a quantity to “one lot”). If you’re not sure, check in with us via controller@umn.edu.

Add two new comment rows to every PO change order, where the document total is $50,000 or greater.

- Using the two comment system described below ensures changes are consistently documented for approval, legal and auditing standards, and communication to suppliers.
- PO change orders that do not meet documentation requirements will be returned.
- If funds are being added or subtracted from the PO, procurement specialists must also enter a description on the price adjustment line, as documentation for audit.

**Step 1: Add 2 New Comment Lines and Attach the PO Change Order Form in the Header Comments**

**Comment 1:** Approval justification and the PO Change Order form must be attached. See next page for examples.

**Procurement Specialists** must provide a justification for the change order.

Use the following criteria for header level comments for change orders on POs that total $50,000 or greater:

- Always start the comment with “Change order issued (date)”.
- Summarize the changes to the PO (e.g., increasing line 1 by $10,000 and extending the end date to xx/xx/xx).
- State the reason why in one to two succinct sentences (e.g., project extended due to...)
- State any offline approvals where applicable (e.g., approved by Vice President X).
- End the comment by identifying yourself using your Internet ID.
- Attach the fully completed PO Change Order form (UM 1790) to this comment box.
- Check the “approval justification” checkbox. If you do not, nothing will populate the PO change order approval page and all approvers should send this back, since they cannot see any supporting documentation for the change.

**Comment 2:** Header level comments for the supplier and Purchasing Services official copy. See next page for examples.

Suppliers commonly require that any change orders be issued to them. Purchasing Services always retains an electronic copy of every PO $50,000 or greater for audit purposes. Since the justification comment will not print on the PO or will not be sent to the supplier, this information must be captured in its own text box, ensuring “Send to Supplier” is clicked.
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Examples of required information for the comments boxes

The comments should follow these examples:

- Change order issued 1/25/17 to add $10,000 due to work scope change adding new deliverable approved by VP for Finance. c-meye1
- Change order issued 1/16/17 to extend end date due to change in go-live date for new program. kberning
- Change order issued 1/22/17 to change Category code from asset to non-asset. wefel001

Step 2: Enter “Increase (or decrease) on XX/XX/XX” on the price adjustment line.

Large POs commonly go through several change orders. **For audit**, when a PO line dollar amount is increased or decreased a date must be entered on the price adjustment line. Type either “Increase <mm/dd/yy>” or “Decrease <mm/dd/yy>” in the description field associated with the change order’s sequence. Here is an example:
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Tips for text:

- DON’T USE ALL CAPS when entering justifications or descriptions. It’s difficult to read and implies someone is yelling.
- Don’t just copy/paste entire email conversations into the text boxes. This causes several problems: it can cause system display or processing failures due to special characters that appear in emails, it can cause confusion for approvers and suppliers who see the entries, and it can waste the time of approvers who have to wade through the commentary to find relevant information.
- Keep it brief. Detailed information can be entered in the lines on the change order form that gets attached.
- Don’t include internal-to-the-U notes and commentary anywhere on the change order. If a transaction approver needs additional information to approve the transaction, keep it professional, keep it brief, be factual. Drop personal conversations and greetings.

Example of what not to include (re-write it, don’t just copy/paste email conversations):

Dear Bob, hope your vacation was great. I see you got some sun. There’s this contract—that thing we needed to finish up with the specialist from intergalactic-telescope-calibrators-are-us but there is more work than anticipated to complete. It’s for Dr. Shankar’s lab. We talked about it last time we met. I am adding $50,000 to PO 123456778 so the pro can finish up with the ordered services and Dr. S can continue looking into the origins of the universe. Sally.

-----Begin Forwarded Message-----
Sally, HEY! We need copier paper. Did you hear that the sidewalk is closed? And I got that change order we talked about in the hallway entered. ~ Frieda.

---Begin Forwarded Message----
Frieda, There’s pot luck leftovers in the kitchen. Can I get you to help with my contract? Come see me when you have a moment. We need to increase the amount, Bob needs to approve it. Oh, and we’re out of copier paper. – Dr. Shankar.

Above sample, re-written:

Change order issued 1/25/17 to add $50,000 due to expanded work scope. Additional specialized calibration steps needed. frieda001