When is Receiving Required?

Receipt documents are logged on a Purchase Order. This document does not route for approval. Instead, this is a way for the department to verify that goods or services have been received and accepted by the department. Receipts are not required in all situations. Receiving rules are driven by the type of order placed, the value of that order, and in some cases the value of the Invoice entered into BUY.IU. This document outlines those rules. Review the How to Log a Receipt document for step by step instructions on how to log a Receipt.

The table below summarizes receiving requirements. Use the table of contents below to jump to a topic.

<table>
<thead>
<tr>
<th>Order type</th>
<th>Receiving required?</th>
<th>Receiving forced?</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-time order ≤ $4,999.99</td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>One-time order ≥ $5,000</td>
<td>Yes, regardless of Invoice value</td>
<td>Yes.</td>
</tr>
<tr>
<td>Recurring order</td>
<td>Yes, if Invoice value ≥ $5,000</td>
<td>No.</td>
</tr>
<tr>
<td>Subawards</td>
<td>Yes, regardless of Invoice value</td>
<td>Yes.</td>
</tr>
<tr>
<td>Check Requests</td>
<td>No, unless using Purchases for Resale ≥ $5,000</td>
<td>Yes.</td>
</tr>
</tbody>
</table>

This document outlines system and University-level receiving requirements. Your department may require Receipts in additional situations. Always consult your department to ensure you are following proper local procedures.

Contents

One-Time Orders ..................................................................................................................................................................... 2
  Requisition value less than or equal to $4,999.99 .............................................................................................................. 2
  Requisition value greater than or equal to $5,000.00........................................................................................................ 2
Recurring Orders ..................................................................................................................................................................... 3
  Invoice value less than or equal to $4,999.99 .................................................................................................................... 3
  Invoice value greater than or equal to $5,000.00............................................................................................................... 3
Subawards ............................................................................................................................................................................... 3
Check Requests ....................................................................................................................................................................... 3
One-Time Orders

A one-time order is defined as a Requisition document whose “Recurring Payments” section does not contain information. In other words, an order which does not generate a Recurring Purchase Order.

Requisition value less than or equal to $4,999.99

A Receipt document is not required for these types of Requisitions. A quantity Receipt may be entered by the department if desired.

Requisition value greater than or equal to $5,000.00

A quantity Receipt document is required by BUY.IU for these types of Requisitions. When an Invoice of any value is entered against this type of order, the Invoice will route to the “Hold for Receiving” workflow stop.

The individual listed in the “Prepared By” field of the Requisition receives a system notification that receiving is required. The Invoice document will remain in the Hold for Receiving stop until a Receipt is logged which satisfies the invoice, or until 10 days before the Invoice Due Date. This is holding period is referred to as Receiving Lead Time.

If a Receipt is not logged within the Receiving Lead Time, the Invoice routes to the “Matching Exceptions” workflow stop.

Here, fiscal reviewers are notified that a Receipt has not been entered. Fiscal reviewers are responsible for contacting the individual responsible for logging the Receipt and ensuring the Receipt is logged.

When Receiving Lead Time is reached, the Hold for Receiving workflow stop reflects a Completed status. This is not accurate. A Receipt must be logged on the Purchase Order prior to approval.
Recurring Orders
A recurring order is defined as a Requisition document whose “Recurring Payments” section contains information. Recurring orders do not involve quantities. Because of this, the Invoice amount is used to determine when a Receipt is required.

Invoice value less than or equal to $4,999.99
Invoices in this category do not require receiving. A cost Receipt may be entered by the department if desired.

Invoice value greater than or equal to $5,000.00
Invoices with a value greater than or equal to $5,000 entered against recurring orders route to the “Recurring Payment Review” workflow stop. This stop consists of fiscal reviewers who are tasked with ensuring a cost Receipt document corresponding to the amount invoiced is logged prior to approval.

BUY.IU does not force receiving in this situation. This means the individual in the “Prepared By” field does not receive a notification when a Receipt is required. Fiscal reviewers are responsible for ensuring this procedure is followed. If a cost Receipt has not been logged, the PO owner must be contacted and prompted to log the Receipt.

In most cases, the Invoice will move into “OK to Pay” status once the “Recurring Payment Review” workflow stop is satisfied. It is imperative that the Receipt of the goods or services is logged prior to the Invoice’s approval.

Subawards
Contract & Grant subawards are established using commodity code ORA1. These types of orders are usually recurring orders, but they do not behave like a typical recurring order.

Instead, all Invoices associated with a subaward require a Receipt. This process is forced by BUY.IU, meaning the document owner, the individual listed in the “Prepared By” section of the Requisition, receives a notification from the system when a Receipt document is required.

Subawards follow the rules outlined above for one-time orders greater than or equal to $5,000.

Check Requests
Generally, receiving is not required for Requisitions containing check request forms. The only check request form which requires receiving is the Purchases for Resale form. A Requisition which contains this form and whose value is greater than or equal to $5,000 will route to the “Hold for Receiving” workflow stop and follow the rules outlined above for one-time orders greater than or equal to $5,000.

A quantity Receipt must be logged on the Purchase Order confirming the items for resale were received before payment is generated.