University Information Technology Services

UAccess Financials

Subcontract Requisition and Purchase Order Amendment

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Updated 06.24.2016 v.1.04

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Subcontract Requisition and Purchase Order Amendment

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Record of Changes		
Date	**Version #**	**Description**
05/30/2014	1.00	DRAFT
07.09.2014	1.01	Formatting updated and added Appendix A
04.13.2014	1.02	Updates to removed references to ORCA and E-Forms and instead use SPS and Research Gateway.
05.29.2015	1.03	Updated to remove link to Flowchart and reference to CRS
06.24.2016	1.04	Updated to reflect the change in order-of-events for submitting required documents per Jennifer Brown

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Subcontract Requisition and Purchase Order Amendment

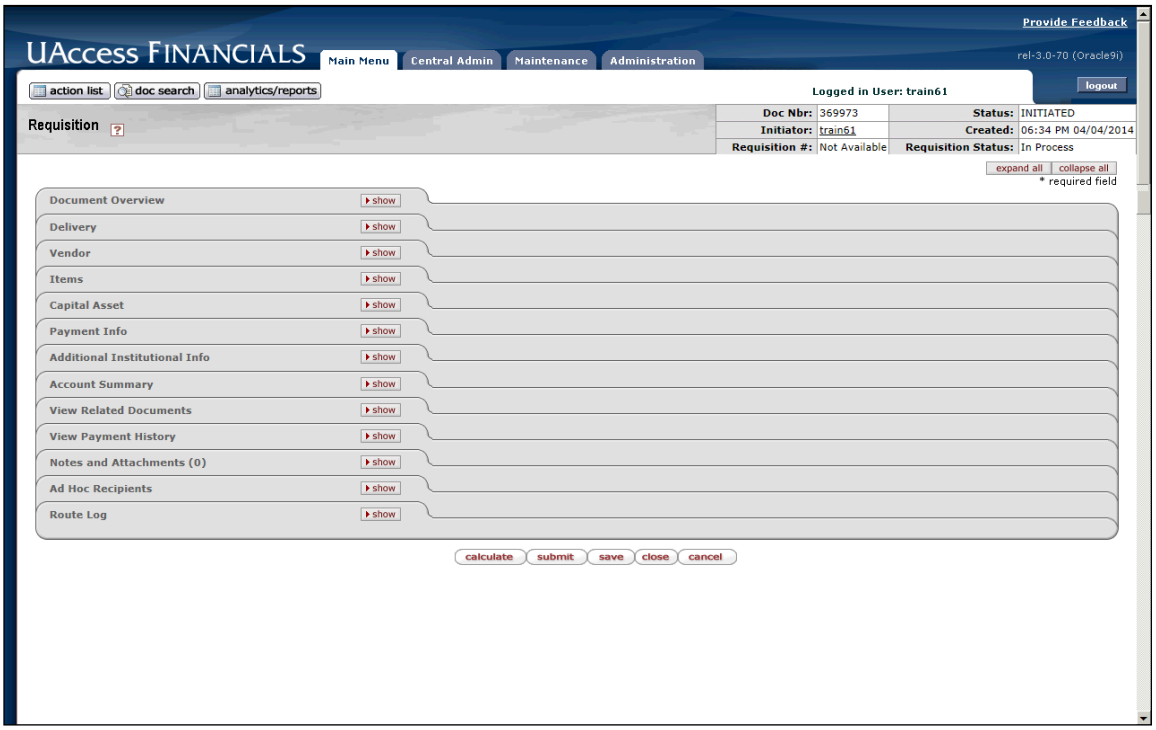
Initiating a Requisition for a Subcontract

Procedure

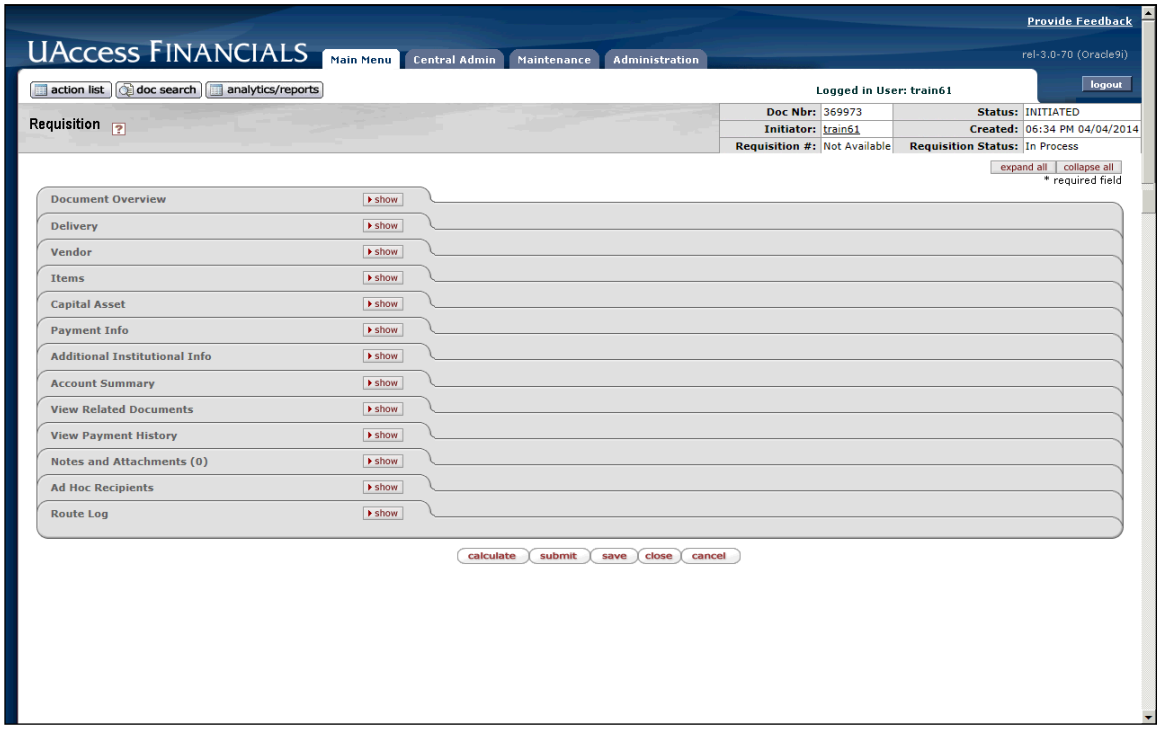
After the subaward initiation documents have been provided to SPS SubAwards and a partially signed subaward agreement has been obtained, the SPS SubAwards Team will direct you to initiate a Requisition.

***Note**: If the SPS SubAwards Team has not directed you to initiate the requisition, please refer to the Research Gateway (http://rgw.arizona.edu/administration/subawards/subaward-initiation-and-setup) website for instructions on initiating a subaward and the list of required documents prior to initiating the requisition.*

In this tutorial you will learn how to create a requisition to pay a subcontractor.

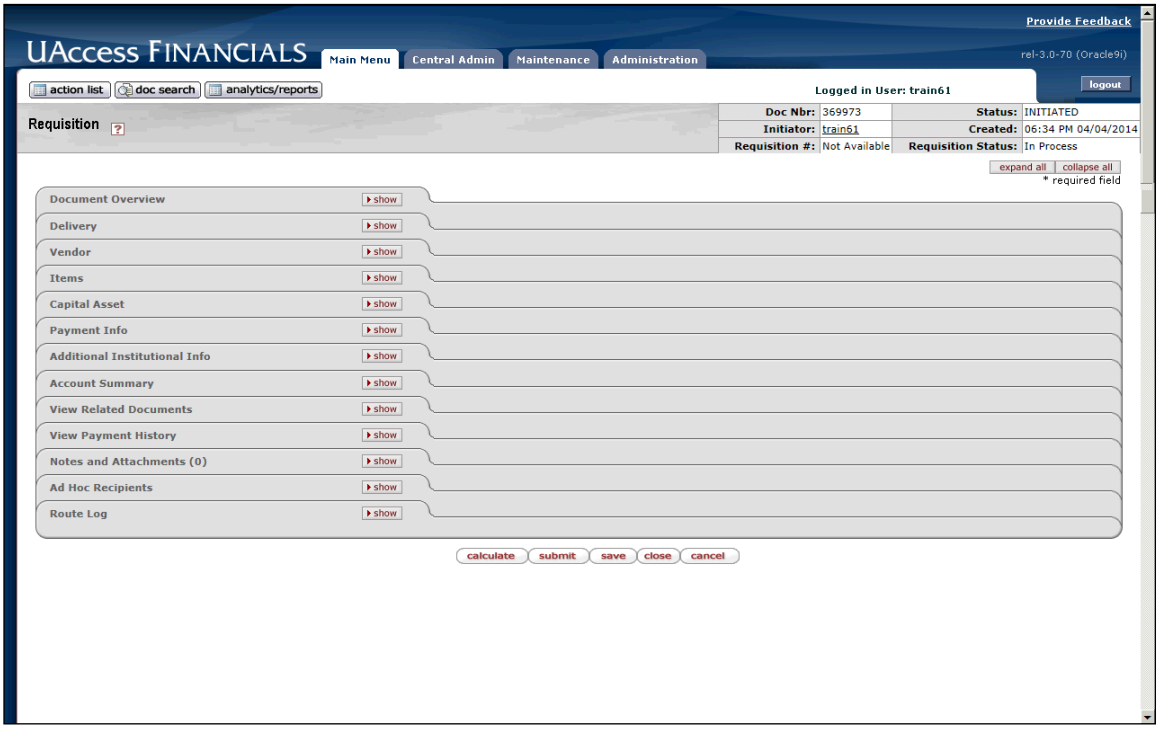


Step	Action
1.	This tutorial focuses on the specific steps you must follow to use a Requisition to pay for subcontracts. To create a Requisition, go to **Main Menu > Transactions > Purchasing** > **Requisition**. In this tutorial the Requisition e-doc has already been opened for you. To review how to create a Requisition, view the *Purchasing* > *Creating a Requisition* > *Purchasing Goods Using a Requisition* tutorial before beginning this one.

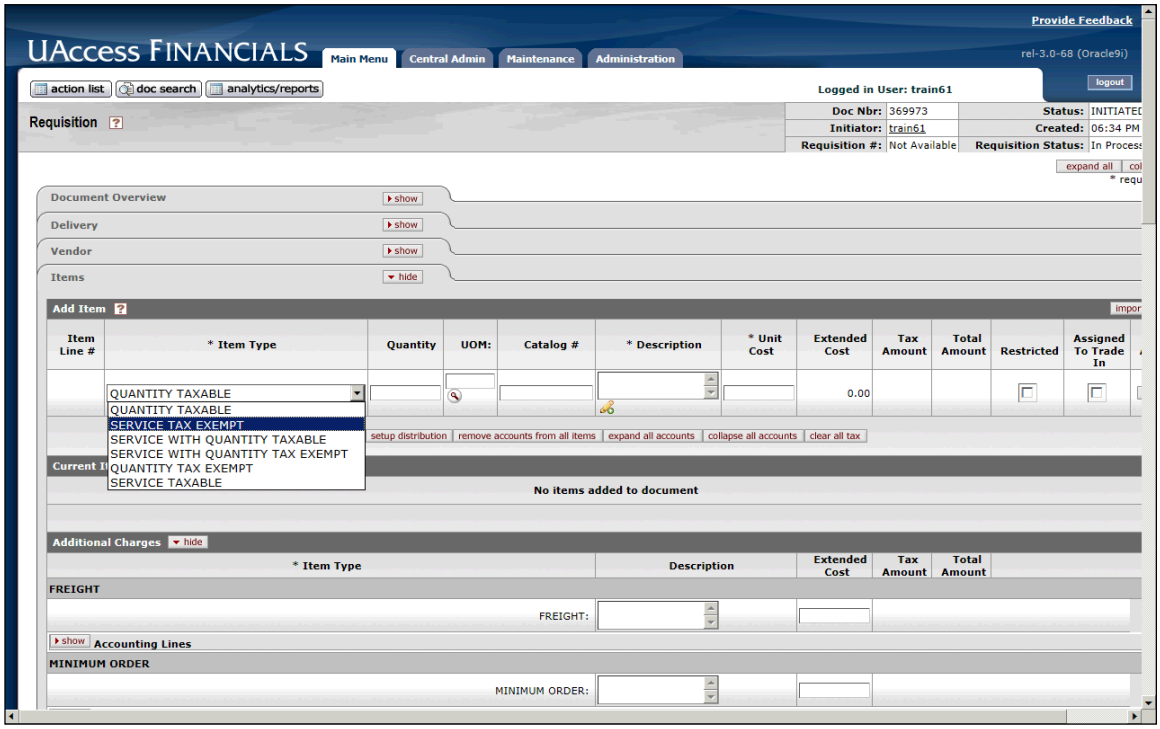


Step	Action
2.	When you are paying for a subcontract, you should fill out the tabs of the Requisition in the same way you would for purchasing services. There are only a few exceptions, the first being the **Description** field in the **Document Overview** tab. Click the **show** button. show
3.	Sponsored Projects Services (http://rgw.arizona.edu/services/sponsored-projects-services) (SPS) suggests you use the following format in the **Description** field: Subaward to (entity); Account xxxxxxx.

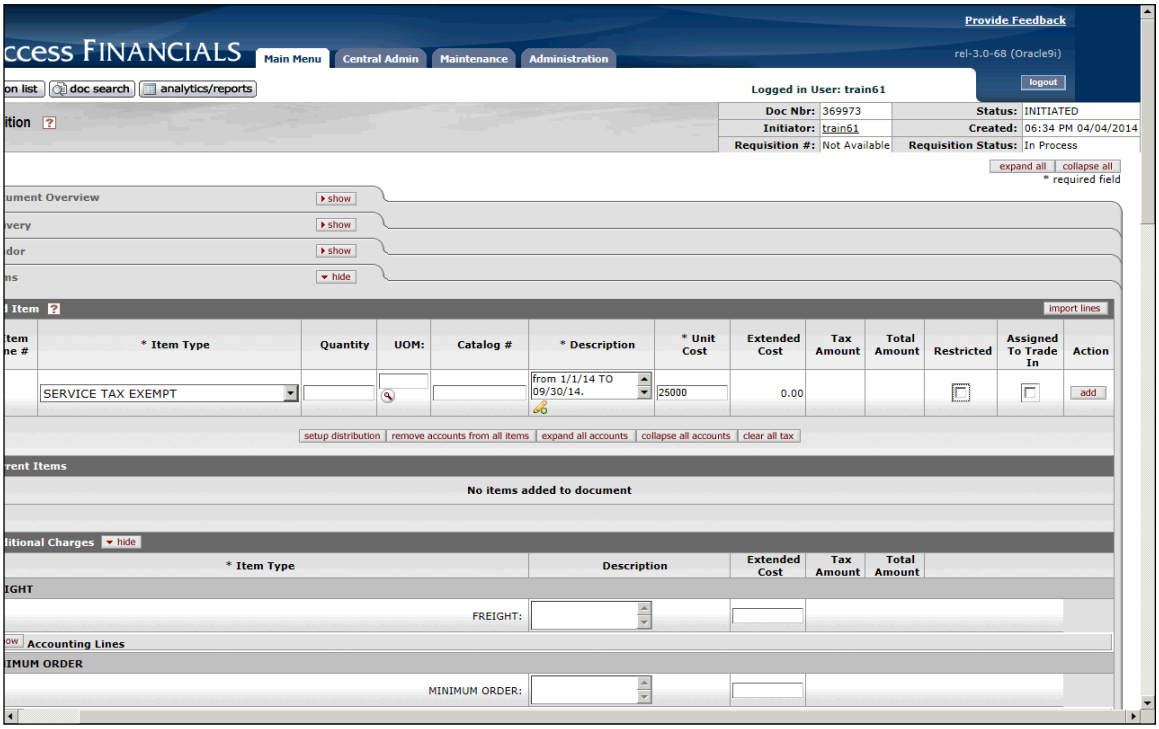
Step	Action
4.	Another exception is the **Payment Request Positive Approval Required** box. This box must be checked in requisitions for subcontracts. Click the **Payment Request Positive Approval Required** checkbox.
5.	Click the **hide** button. hide



Step	Action
6.	Pay close attention to how you complete the **Items** tab when dealing with subcontracts. Click the **show** button. show
7.	The **Item Type** must be set to **SERVICE TAX EXEMPT**. Click the **Item Type** drop-down list.

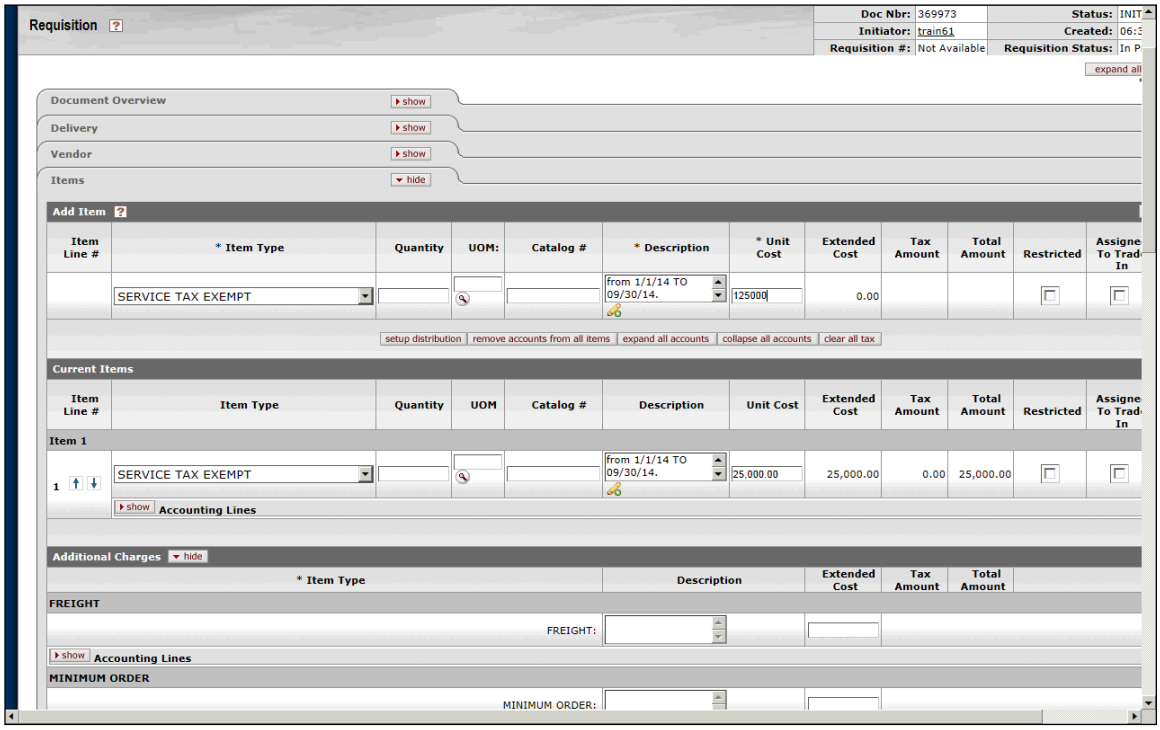


Step	Action
8.	Click the **SERVICE TAX EXEMPT** list item. SERVICE TAX EXEMPT
9.	Leave the **Quantity, UOM,** and **Catalog #** fields blank.
10.	Enter the duration dates of the contract in the **Description** field. Enter "**from 1/1/14 to 9/30/14.**" in the **Description** field.
11.	Enter any amount up to the first $25,000 in the **Unit Cost** field of the first item line. A second item line must be added for any amount over the first $25,000. Enter "**25000**" in the **Unit Cost** field.
12.	Click the scrollbar.

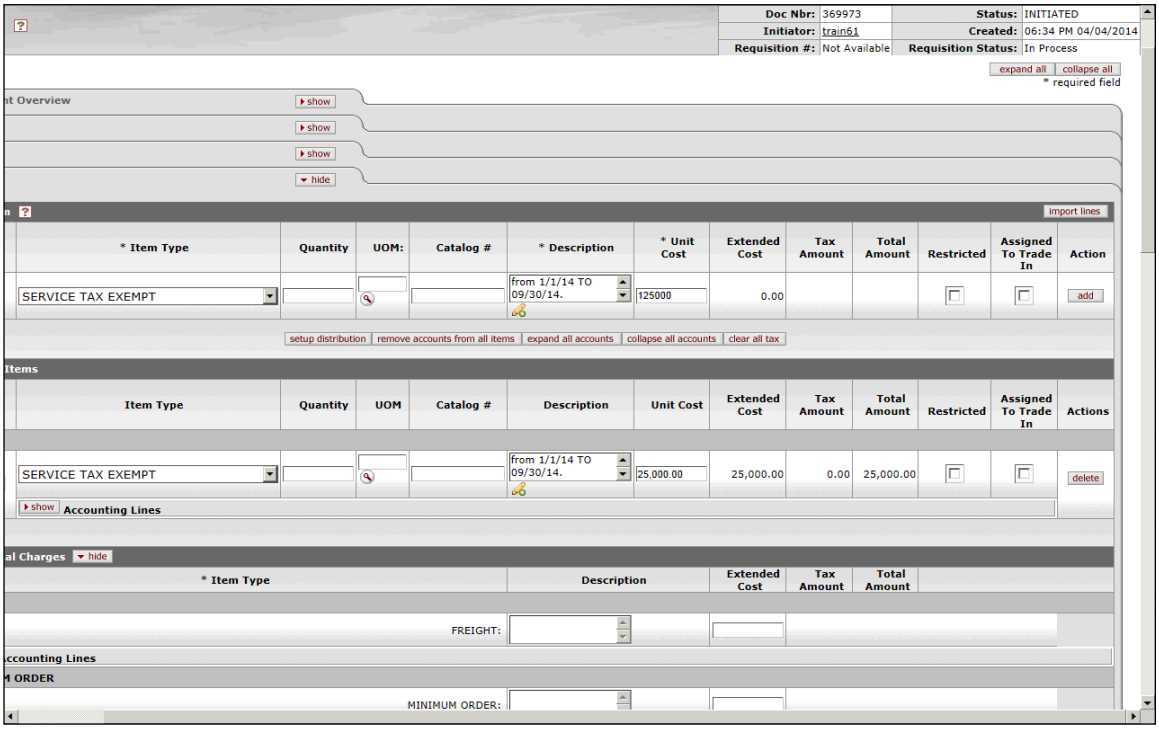


Step	Action
13.	Click the **add** button. add
14.	If the total of the subcontract is $25,000 or less, you will have only one item line. In those cases, your next task would be to add accounting information.
15.	However, in this tutorial the total of the subcontract is $150,000. You must enter the remaining $125,000 in a separate item line. So instead of dealing with the accounting line next, go ahead and add the second item line. Click the **Item Type** drop-down list.
16.	***Note:*** *In reality, you do not have to add both item lines before dealing with the first accounting line.* Click the **SERVICE TAX EXEMPT** list item. SERVICE TAX EXEMPT
17.	Enter "**from 1/4/14 to 9/30/14.**" in the **Description** field.

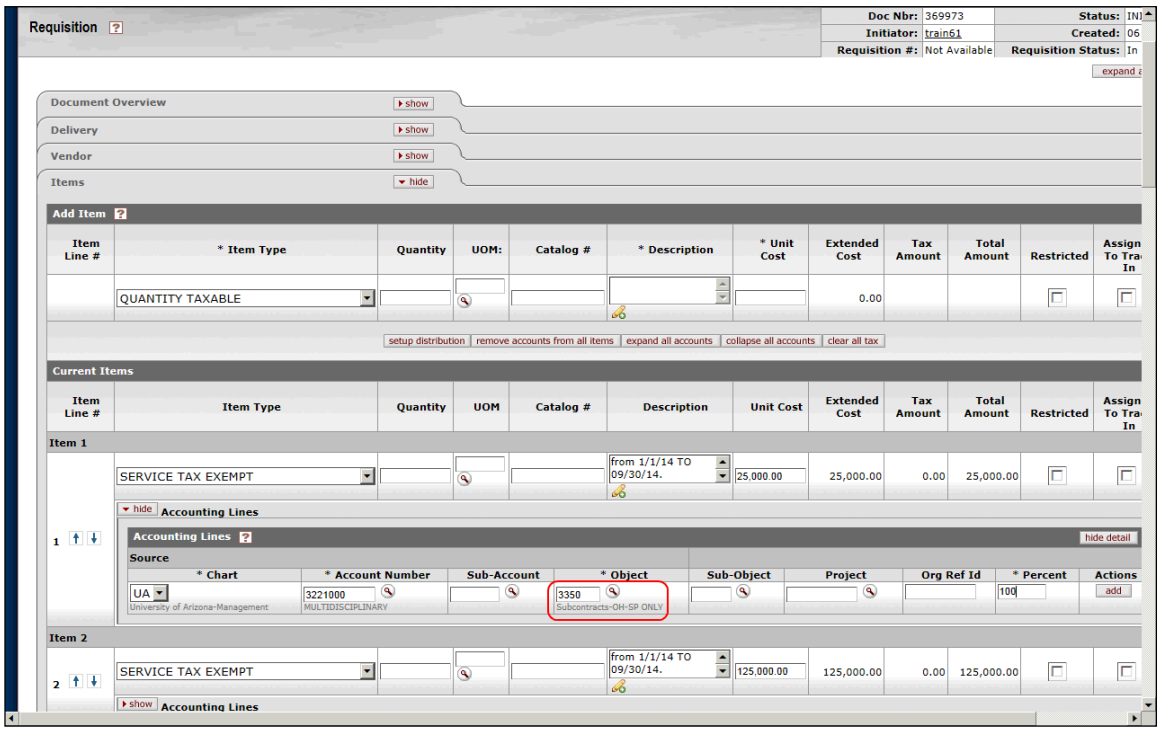
Step	Action
18.	Remember, you must enter any amount over the initial $25,000 in the second item line. Since the total for this tutorial is $150,000, enter the remaining $125,000 in the **Unit Cost** field. Enter "**125000**" in the **Unit Cost** field.



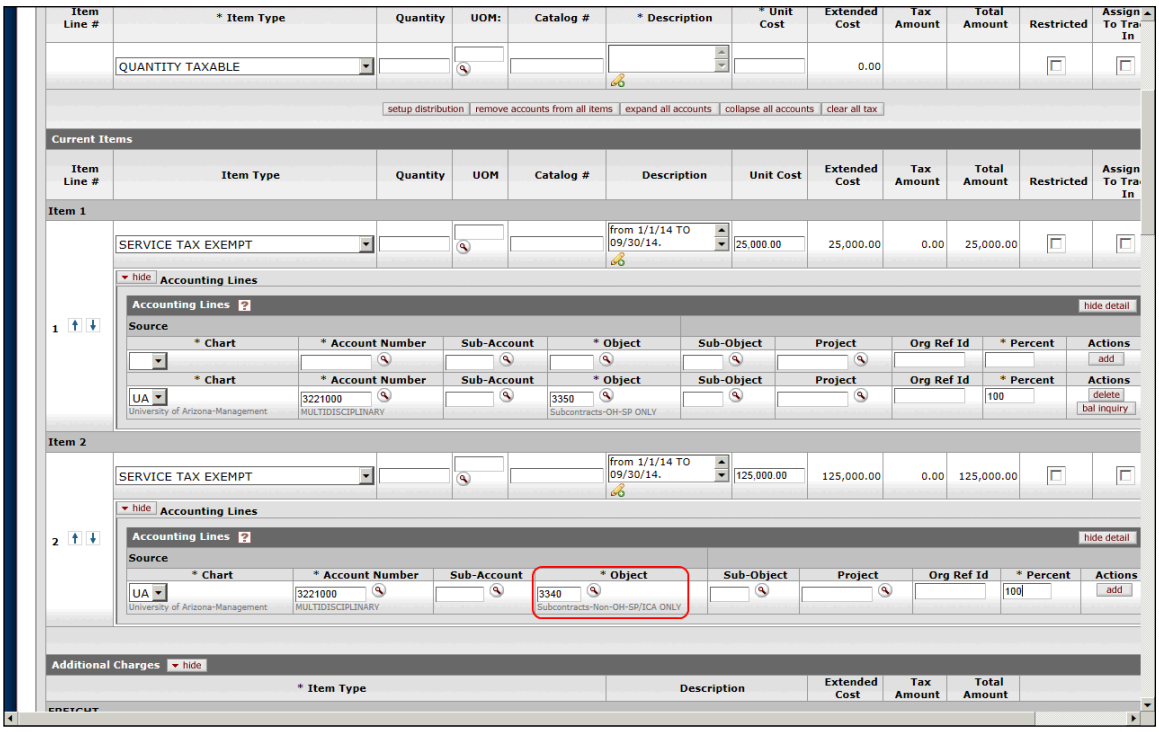
Step	Action
19.	Click the scrollbar.



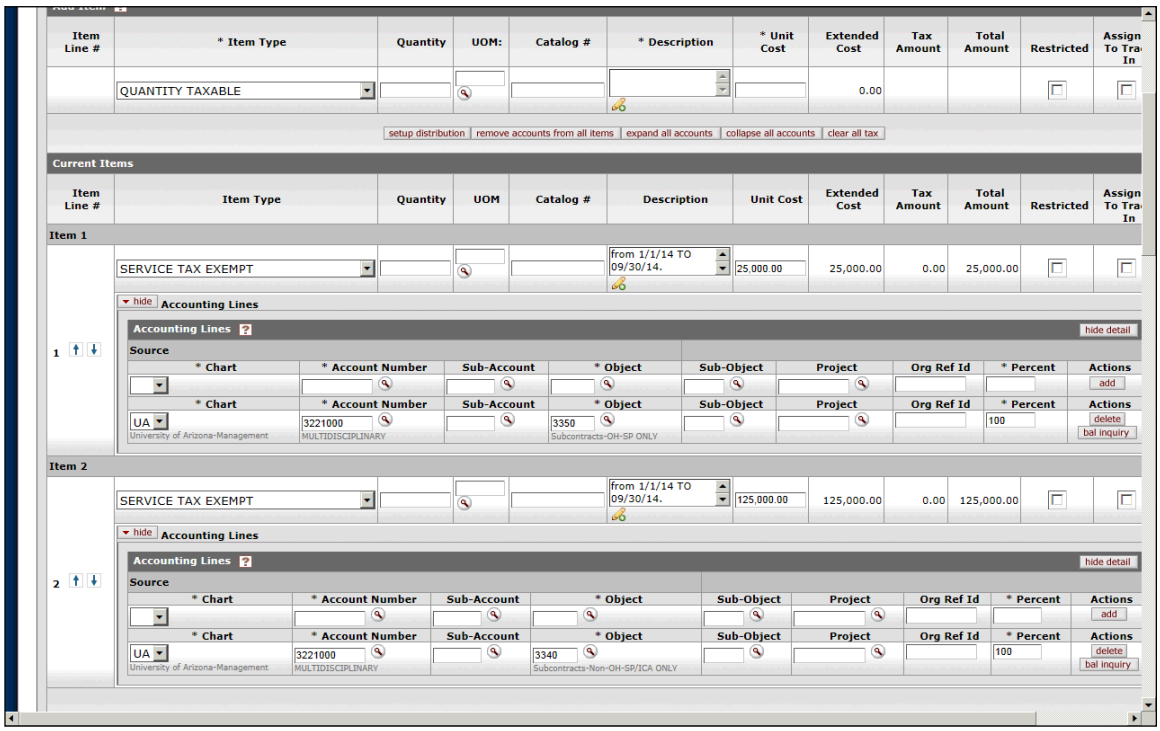
Step	Action
20.	Click the **add** button. add
21.	When you enter the accounting information, take care to use the correct subcontract object code. When paying a subcontractor, you must use object code 3350 for any amount up to $25,000.00, then use object code 3340 in a separate item line for any remaining amount. Click the **show** button. show



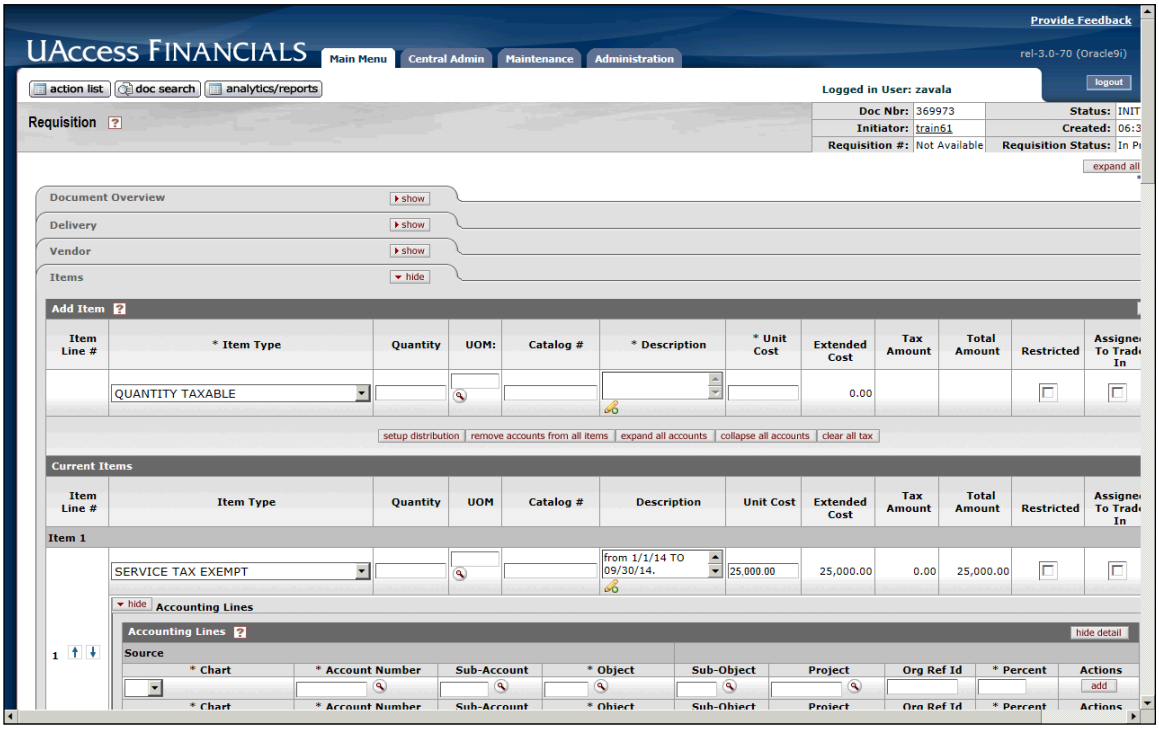
Step	Action
22.	The accounting line has been completed for you in this tutorial. Please note the object code is 3350. If you need a refresher on how to fill out accounting lines in a Purchase Requisition, please refer to the *Fundamentals > Completing Standard E-Doc Tabs > Completing Simple Accounting Lines* tutorial. ***Note:*** *If subaccounts are used, each one needs a separate item line.* Click the **add** button. add
23.	Be sure to add account information for all item lines. Click the **Show** button. show



Step	Action
24.	The accounting line has been completed for you in this tutorial. Please note the object code must be 3340 for the second item line. Click the **add** button. add



Step	Action
25.	Scroll up to close the **Items** tab. Click the scrollbar.



Step	Action
26.	Click the **hide** button. ▼ hide
27.	***Note:*** *The steps for completing the rest of the Requisition such as Delivery and Vendor information have been skipped in this tutorial. Please review the* Purchasing > Creating a Requisition > Purchasing Goods Using a Requisition *tutorial for details.*
28.	***Note:*** *When the new requisition is finalized, Purchasing creates the Purchase Order (PO). The SPS SubAwards Team sends the subcontract with the PO number to the subrecipient.*
29.	This requisition routes for approval at the department level based on the account number just like any e-Doc in UAccess Financials; however, the use of object codes 3340 and 3350 force the workflow to include SPS. ***Note****: All initiation documents are provided to the SPS SubAwards Team when the subaward is initiated. The SPS SubAwards Team will attach the initiation packet to the requisition when it routes to their group for approval.*
30.	You have successfully completed a Requisition for a subcontract. **End of Procedure.**

Amending a Purchase Order for a Subcontract

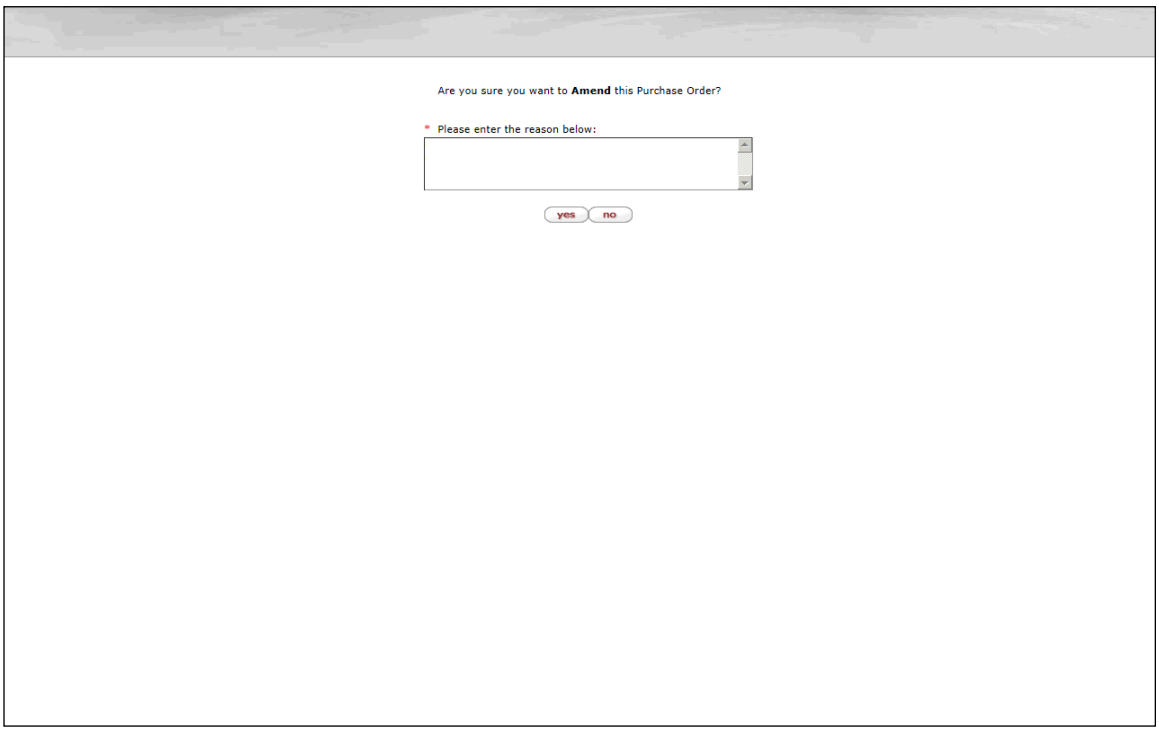
Procedure

After the subaward modification initiation documents have been provided to SPS SubAwards and a partially signed modification has been obtained, the SPS SubAwards Team will direct you to initiate a Purchase Order Amendment (POA).

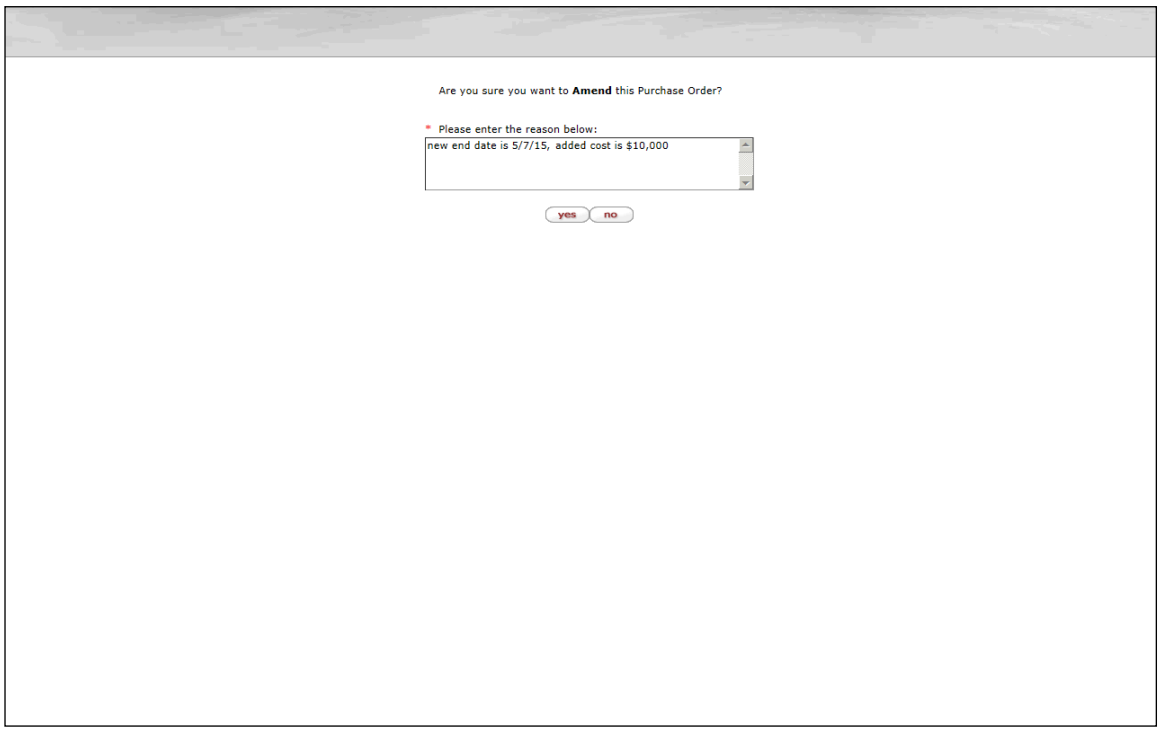
***Note**: The POA should not be initiated until the SPS SubAwards Team has obtained a partially signed modification, as a pending POA in UAccess Financials will prevent invoice payments from being processed.*

***Note**: If the SPS SubAwards Team has not directed you to initiate the POA, please refer to the Research Gateway (http://rgw.arizona.edu/administration/subawards/subaward-management) website for instructions on amending a subaward and the list of required documents prior to initiating the POA.*

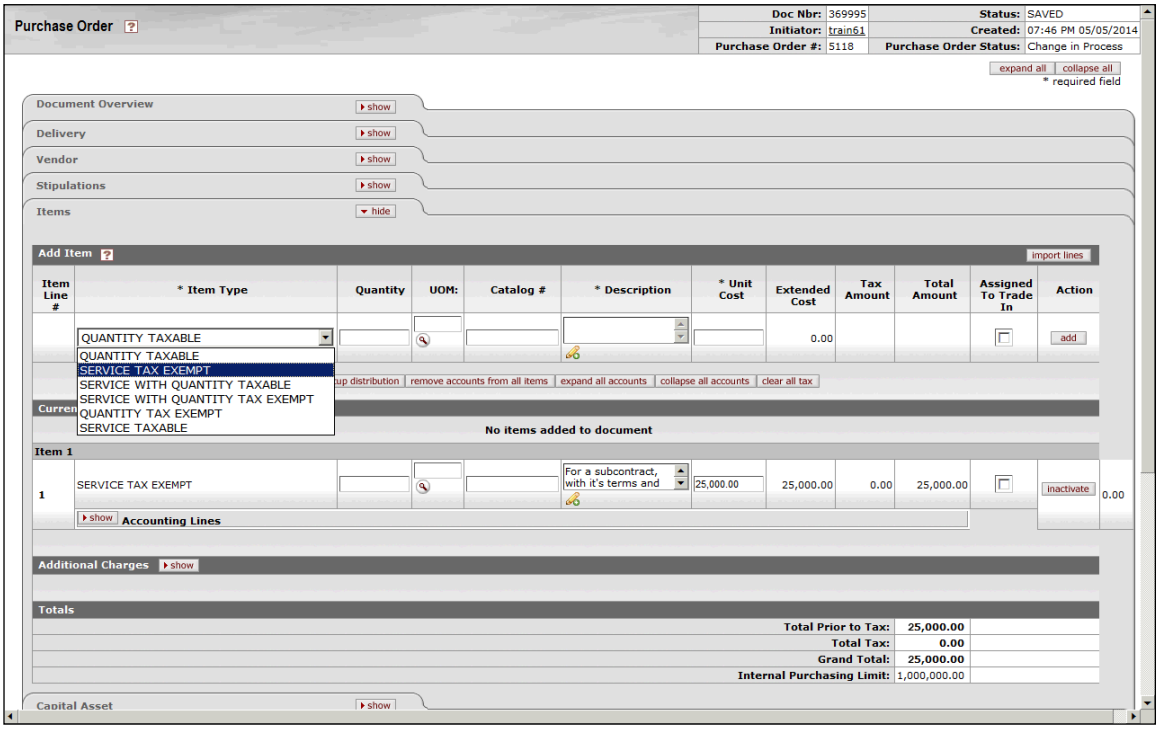
Step	Action
1.	In this tutorial you will learn how to amend a purchase order to pay a subcontractor. Please make sure that you have reviewed the *Purchasing* > *Changing Purchase Orders* > *Amending a Purchase Order* tutorial before beginning this one.
2.	This tutorial focuses on the specific steps you must follow to amend a Purchase Order to pay a subcontractor. To create a Purchase Order Amendment, you must first search for the original Purchase Order. From the Main Menu go to **Custom Searches > Purchase Orders.** In this tutorial a Purchase Order e-doc has been located and opened for you. For details on how to find the Purchase Order refer to the *Purchasing* > *Changing Purchase Orders* > *Searching for a Purchase Order* tutorial before beginning this one.
3.	Remember only purchase orders with a **FINAL** doc status and an **Open** purchase order status can be amended.
4.	Create the Purchase Order Amendment by clicking the **amend** button. Click the **amend** button.



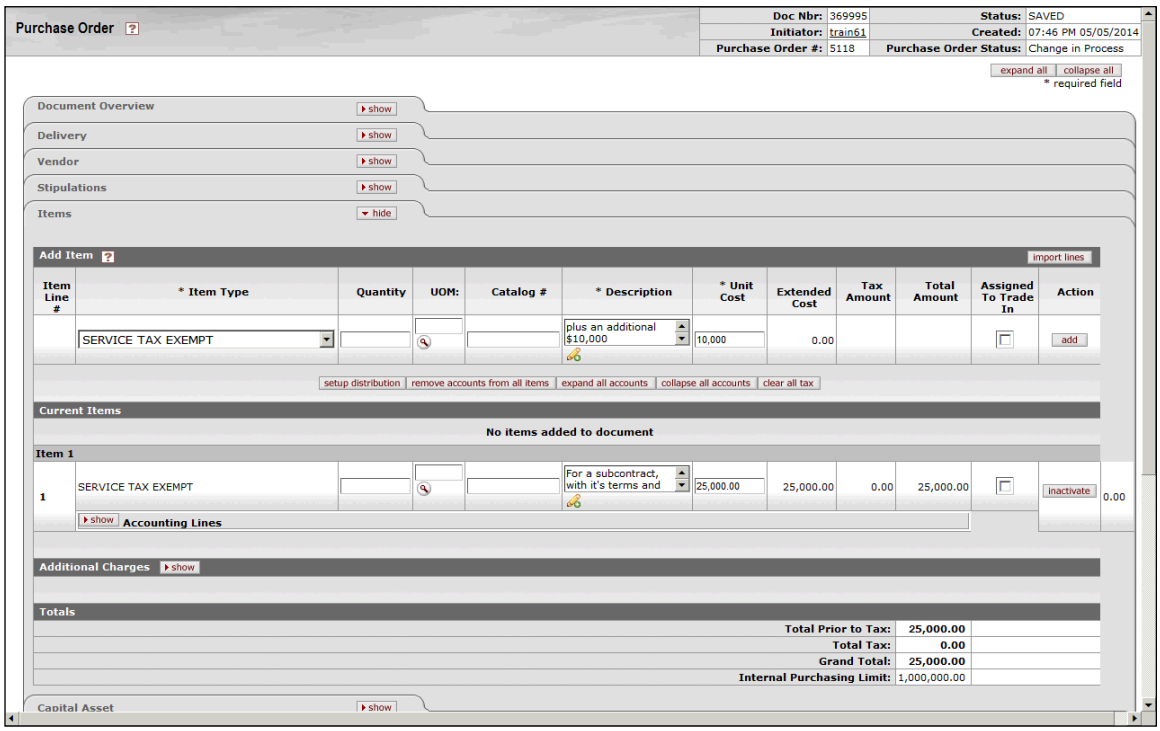
Step	Action
5.	The confirmation pop-up window requires you to explain why you are creating this amendment. Sponsored Projects Services (http://rgw.arizona.edu/services/sponsored-projects-services) (SPS) requires you use to indicate if there is a change in the duration dates of the subcontract and/or if there is any additional cost. Enter "**new end date is 5/7/15, added cost is $10,000**" in the **note** field.



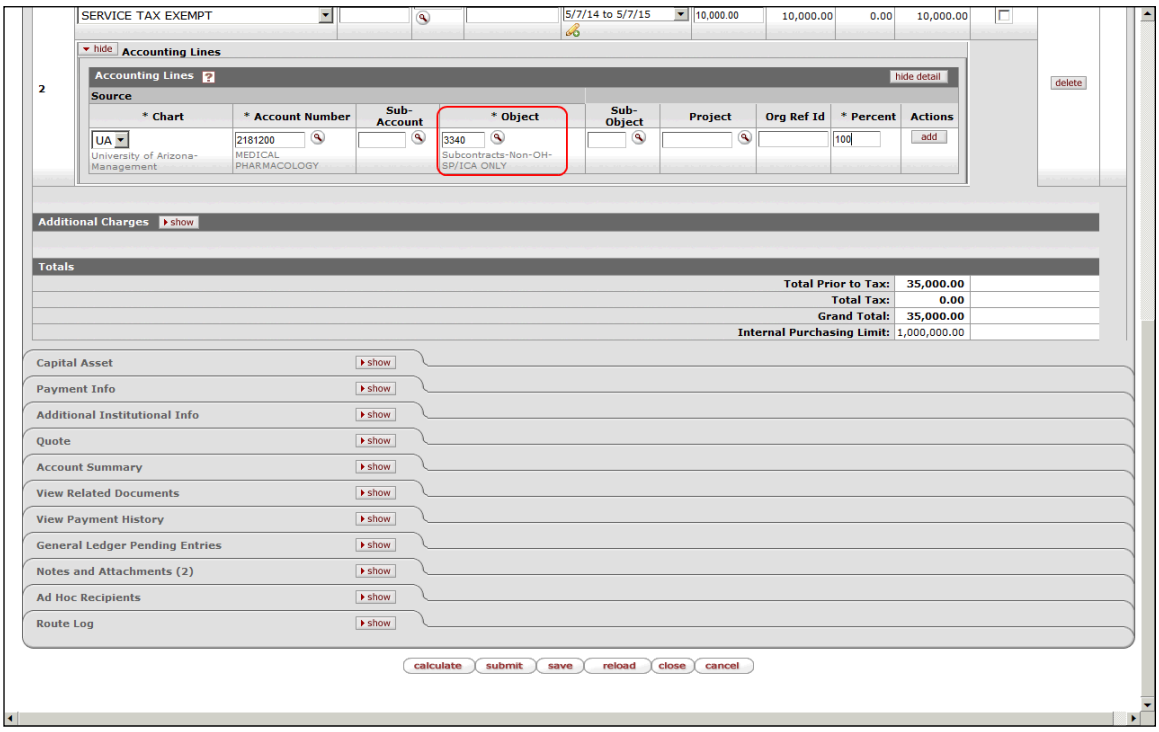
Step	Action
6.	Click the **yes** button. yes
7.	You are required to add the new agreement information in the **Items** tab. Click the **show** button. show
8.	Complete the information in the first row under the **Add Item** section. Do not deactivate or edit any existing items. Once the item is added, the system will add the appropriate encumbrance.
9.	When subcontracts are involved you must change the **Item Type** to **SERVICE TAX EXEMPT**. Click the **Item Type** drop-down list.



Step	Action
10.	Click the **SERVICE TAX EXEMPT** list item. SERVICE TAX EXEMPT
11.	Leave the **Quantity, UOM,** and **Catalog #** fields blank.
12.	Enter text in the **Description** field that indicates the subcontract changes. In this example new dates for the contract and the additional cost need to be entered. Enter "**Extended from 5/7/14 to 5/7/15 plus an additional $10,000**" in the **Description** field.
13.	Enter the additional cost in the **Unit Cost** field. If there is no additional cost or if the cost is being reduced, enter zero. The Total Amount is calculated by the system. ***Note:*** *Please refer to Appendix A for more information on changes in total cost.* Enter "**10,000**" in the **Unit Cost** field.



Step	Action
14.	Click the **add** button. add
15.	The **Grand Total** updates as soon as you add the new line item.
16.	Now enter the account information for the line item you just added. Click the **show** button. show



Step	Action
17.	The account information has been completed for you in this tutorial. Please note the object code must be 3340 for any amount over the initial $25,000. If you need a refresher on how to fill out accounting lines in a Purchase Order Amendment, please refer to the *Fundamentals > Completing Standard E-Doc Tabs > Completing Simple Accounting Lines* tutorial. Click the **add** button. add
18.	Scroll up to close the **Items** tab. Click the scrollbar.
19.	Click the **hide** button. hide
20.	***Note:*** *When the PO Amendment is finalized, Purchasing modifies the PO. The SPS SubAwards Team sends the subcontract modification to the subrecipient.*

Step	Action
21.	Once submitted, this purchase order amendment will follow the same approval path as the original subcontract requisition. ***Note**: All modification initiation documents are provided to the SPS SubAwards Team when the subaward modification is initiated. The SPS SubAwards Team will attach the modification initiation packet to the POA when it routes to their group for approval.*
22.	You have successfully amended a purchase order for a Subcontract. **End of Procedure.**

Appendix A: SubContract (SubAward) Item Tab Quick Reference

Requisitions:

- Item Lines: Enter any amount up to the initial $25,000 in the first item line. Then use a second item line for any additional amount.
- Accounting Lines: Use 3350 until you reach $25,000. Then use 3340 for any additional amount.

PO Amendments:

- Change in duration only:
  - Item Lines: Add new item line, enter new dates in description, and enter zero in Unit Cost.
  - Accounting Lines: Use O.C. 3350 if cost does not currently total more than $25,000, other wise use O.C. 3340 for any amount over the initial $25,000.
- Change in duration and cost:
  - Additional Cost:
    - Item Lines: Add new item line, enter new dates and added cost in description, and enter added cost in Unit Cost,
    - Accounting Lines: Use O.C. 3350 for any amount of the additional cost does not bring total to more than $25,000. Once this total is reached a new item line must be added for the remaining balance and O.C. 3340 must be used in the accounting line.
  - Reduction in Cost:
    - Item Lines: Add new item line, enter new dates with new total cost in description (the department should note that the total amount encumbered should be lowered by $$.), and enter Zero in Unit Cost field.
    - Accounting Lines: Use O.C. 3350 if total cost (after reduction) is not more than $25,000, other wise use O.C. 3340.

In all cases departments are responsible for initiating the original Requisition and all Purchase Order Amendments (POA). Departments must use object code 3350 for the initial $25,000, then use 3340 for any amount over $25,000.
In all cases for Purchase Order Amendments, SPS amends the existing subcontract and Purchasing adjusts the encumbrance.