

## Purchase Order (Sample)

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Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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# Table of Contents

Purchase Order (Sample).....	3
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**Reference Number:** MTAS-1724

### **Purpose**

A purchase order authorizes the seller to ship and invoice the materials and services as specified. Purchase orders shall be written in a clear, concise and complete manner. This will prevent confusion and unnecessary correspondence with suppliers.

### **When Prepared**

Purchase orders are issued only after a requisition has been submitted and approved by the purchasing agent and the finance officer. No purchase order will be issued until the finance officer has certified adequate funds and cash balances to make the purchase, except as otherwise mentioned.

### **Who Issues the Purchase Order**

The purchasing department issues purchase orders, except as otherwise provided herein. The using departments will not enter into negotiations with suppliers for the purchase of equipment, supplies, materials, services, or other items, except under the emergency purchase procedures and as otherwise provided herein.

### **How Purchase Orders Are Handled**

The purchase order is made from the approved requisition. Copies should be distributed as needed to the following.

1. A copy is mailed to the vendor to be used as authority to furnish the city with the materials or services indicated.
2. A copy is sent to the finance officer and the account that handles the amount of the purchase order.
3. A copy is sent to the department head making the request, to be held until the goods or services are received. Upon completion of the order or contract, a copy will be signed and invoices and material receiving report attached. This copy is sent to the purchasing agent for discounting and processing for payment.
4. A copy is kept by the purchasing agent and filed as record of outstanding orders. When paid, the copy will be marked properly and put in a completed file in numerical order.
5. A copy should be kept in each department's file for reference.
6. A copy is the acknowledgment copy the vendor will sign and return to the purchasing agent, confirming the order.

### **Cancellations**

The purchasing department must initiate all cancellations and will issue a purchase order to the next best vendor or renew the purchasing process.

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**Source URL (retrieved on 09/20/2019 - 2:20pm):** <https://www.mtas.tennessee.edu/reference/purchase-order-sample>

