**Purchase Order Request/Modification/De-Obligation**

The purpose the Purchase Order/Modification/De-Obligation Guide is to provide step-by-step instructions for requesting, modifying and de-obligating a purchase order (PO). Program offices are responsible for managing contract expenditures to endure vendor payments are made upon receipt of an invoice and funds not expended are de-obligated timely and prior to fiscal year end (June 30). De-obligating funds allows funds for a multi-year contract to be accessible throughout each fiscal year of the contract time period.

**Request**

1. Program office shall obtain and complete a requisition located on the Office of Procurement’s Purchasing webpage. The requisition must be completed in its entirety to include the MAGIC contract number by the Office of Procurement or Information Technology Services (ITS).
2. The requisition shall be reviewed by the program budget designee and approved by the requestor and a Bureau Director or above.
3. Submit the completed requisition to the Office of Procurement for processing via the purchase portal.
4. Purchasing Analyst shall review and process each request in the order received and forward request to the Procurement Director/designee to approve the PO in MAGIC.
5. Procurement Director/designee shall email the approved PO to the program office, purchasing staff, and Accounts Payable.

**Modification**

1. Program office shall obtain and complete a [Purchase Order (PO) Change Request Form](https://www.mdek12.org/sites/default/files/documents/Procurement/Purchasing/purchase_order_change_request_formrevised_2019_best_version.pdf) (PO Change Form) located on the Office of Procurement’s Purchasing webpage.
2. The PO Change Form shall be reviewed by the program budget designee and approved by the requestor and a Bureau Director or above.
3. Program office shall complete the PO Change Form, attach supporting documentation, and submit packet for processing to the Office of Procurement via the purchasing portal. An incomplete packet will be returned for additional information.
4. Purchasing Analyst shall review and process each request in the order received and forward modification or de-obligation to the Procurement Director/designee to approve the PO change in MAGIC.
5. Procurement Director/designee shall email the approved PO change to the program office, purchasing staff, and Accounts Payable.

**How to Increase a PO:**

Independent Contract

* Program office shall ensure funds are available and the contract has been modified to increase the amount of the PO prior to submitting a request to the Office of Procurement.
* The program office shall review the existing PO line items to determine which line item(s) to modify.
* Obtain and complete a PO Change Form giving detailed information for each line item to modify.
* Attach the PO and supporting documentation.

Commodities/Equipment/Furniture

* Program office shall ensure funds are available to increase the amount of the PO prior to submitting a request to the Office of Procurement.
* The program office shall review the existing PO line items to determine which line item(s) to modify.
* Obtain and complete a PO Change Form giving detailed information for each line item to modify.
* Attach the PO and any supporting documentation.

**How to De-Obligate a PO:**

Independent Contract

* Program office shall review ALL invoices e.g. payments made, outstanding, and to be invoiced prior to the fiscal year end.
* The program office
* shall review the existing PO line items to determine which line item(s) to modify.
* Obtain and complete a PO Change Form giving detailed information for each line item to modify.
* The PO Change Form must give detailed information and instructions per line item to decrease the amount of the PO to the funds required to make ALL payments through the fiscal year end.
* It is the responsibility of the program office to manage the contract and be aware of the amounts to de-obligate.
* Attach the PO and any supporting documentation.

Commodities/Equipment/Furniture

* Program office shall review ALL invoices e.g. payments made, outstanding, and to be invoiced prior to the fiscal year end.
* The program office shall review the existing PO line items to determine which line item(s) to modify.
* Obtain and complete a PO Change Form giving detailed information for each line item to modify.
* The PO Change Form must give detailed information and instructions per line item to decrease the amount of the PO to the funds required to make ALL payments through the fiscal year end.
* It is the responsibility of the program office to manage the contract and be aware of the amounts to de-obligate.
* Attach the PO and any supporting documentation.