



Procedure #11-012: Liquidation Procedure

Effective: July 1, 2012, revised April 22, 2014

I. Purpose:

To facilitate the process of liquidating and closing purchase orders on request by end user departments and communicate the appropriate use of liquidation requests and change orders.

II. Background:

The delegated procurement authority to campus Budget Unit Directors is at the discretion of the Executive Director for Construction and Procurement Services, and continued delegated authority is based on compliance with procurement related University policies and procedures.

The issuance of an eVA purchase order to a vendor represents a legally binding contractual agreement, with a mutual obligation by both the vendor and the University to provide and accept/receive the specified goods/services at the agreed to pricing, terms and conditions. The cancellation and/or reduction of the specified quantities and associated pricing by the University without cause constitutes a 'breach of contract', with the University still liable for the original agreed to quantities and pricing.

eVA purchase orders should be issued only for the amount and quantity of goods and/or services to be provided by the vendor. The issuance of an eVA purchase order as a 'blanket' order for the purpose of encumbering funds and/or managing budgets is inappropriate. Continued practice will result in loss of delegated authority, including when appropriate, use of the University's PCard.

III. Procedure:

- a. University Departments are responsible for ensuring that:
 - i. All liquidation requests are submitted utilizing the referenced *Liquidation Request Form (#12-012)* as follows:
 1. Access and download form #12-012 located on the Procurement Services website;
 2. Complete all requestor contact information;
 3. Provide vendor name and eVA purchase order number;

4. Specify amount to be liquidated (if multiple line items, appropriately identify and specify the liquidation amount(s) for each line item(s);
 5. Provide valid justification (and when available related documentation) to support the liquidation request.
- ii. The Banner invoice number must be included on form #12-012 for all liquidation requests resulting from:
 - a. Vendor paid via a wire transfer; or
 - b. Purchase order was issued with the incorrect Federal Identification Number (FIN).
 - iii. The form #12-012 shall be properly completed and submitted to Procurement Services for processing. Incomplete form #12-012 will be returned to the requesting department.
- b. Procurement Services shall be responsible for the:
- i. Review of each request, and upon approval, sending to the requestor an e-mail confirming that the liquidation has been completed, and will include the associated transaction number;
 - ii. Monthly closing of all open eVA purchase orders with \$0 encumbrance balance; and
 - iii. Liquidation and closing at the end of each fiscal year of all open eVA purchase orders with an encumbrance balance less than \$500.

Provided is the link for the Liquidation Request Form #12-012.

<http://www.odu.edu/procurement/forms>

Please send completed forms to: procurement@odu.edu

Procurement Services Contact:

Janis Hall: 757-683-3070 or jnhall@odu.edu

