

BLANKET PURCHASE ORDERS – ANNUAL

POLICY No.: **PP-015**

SUPERSEDES No.:

EFFECTIVE DATE: **JULY 28, 2004**

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I. PURPOSE

To define how and when to use an annual blanket purchase order.

II. SCOPE

This procedure applies to the use of all annual blanket purchase orders.

III. GENERAL

The annual blanket purchase order is to be used as a tool to track and record reoccurring monthly installments for a particular piece of leased equipment or an annual service contract.

A regular Town of Collierville purchase order is executed at the beginning of the contract term by recognizing the full amount the contractor is to compensated as stipulated in the signed agreement. Each month the contractor will issue an invoice, that amount will be deducted from the beginning amount or previous balance. A copy of the purchase order is generated and attached to the corresponding invoice and applicable paperwork that is sent to Accounts Payable for processing.

At the end of the annual contract term, the affiliated annual blanket purchase order will be closed with the final invoice and payment.

If the contract term begins in a month during the Town's fiscal year, the annual blanket purchase order will be closed with the June invoice and another annual blanket purchase order issued in July for the the remaining contracted months.