



Purchase Order / Purchase Requisition Definitions

Purchase requisitions are a request from an employee to purchasing to buy materials or services. The purchase order is a document created in purchasing that converts the requisition into a legal document that authorizes a vendor to deliver products or to perform a service.

Requisitions are similar to purchase orders except they can be missing two basic pieces of data found in purchase orders; a vendor and prices on the individual line items. These two pieces of data (plus some others) will be added when purchasing creates a purchase order from the purchase requisition.

Both purchase orders and purchase requisitions will handle three types of orders:

- Direct material – defined by a part number and destined for inventory or to be drop shipped.
- Subcontract material. This type of order can be for a vendor to create an entire item either using their own components or user supplied material – or can be for one or more operations within a manufactured item routing.
- Indirect material or service. Defined by a description only

Purchase requisitions will be rolled into purchase orders in a controlled manner, on a line item basis.

For more information, connect to: <http://www.lamarsoftware.com/>