Blanket Purchase Order Release Procedure

1.0 Objective & Intent

This policy establishes a standardized procedure for releasing individual purchase orders against established blanket purchase orders (BPOs) to ensure financial discipline, optimize cash flow, and maintain uninterrupted supply of materials and services critical to cabinet and millwork production. By controlling the release process, the company mitigates the risk of over-commitment of funds, prevents unauthorized spending, and ensures that all releases are properly authorized, tracked, and recorded in the ERP system. This procedure directly impacts working capital management, vendor relationship stability, and production scheduling accuracy.

2.0 Operational Scope

This policy applies to all departments within the company that utilize blanket purchase orders for recurring procurement of materials, supplies, or services, including but not limited to: Production, Millwork, Cabinetry, Finishing, Maintenance, and Warehouse/Inventory. It covers all release transactions against BPOs for items such as lumber, sheet goods, hardware, adhesives, finishes, packaging, and outsourced services (e.g., CNC routing, finishing). This procedure does not apply to one-time or emergency purchase orders, which are governed by the standard Purchase Order Procedure.

3.0 Compliance & Data Security

> All releases against blanket purchase orders must comply with the company's internal financial controls and Canadian privacy laws (PIPEDA). Access to BPO release functions in the ERP system is restricted to authorized procurement and accounting personnel only. Release documentation must be stored securely in the ERP system with audit trails enabled, capturing user ID, timestamp, and release amount. Any release exceeding the BPO's remaining balance or authorized limit requires written approval from the Controller or VP of Operations. Data integrity checks must be performed monthly to reconcile released amounts against BPO totals and vendor invoices. All electronic records must be backed up daily and retained for a minimum of seven years per CRA requirements.

4.0 Required Software & Administrative Tools

- JobBOSS² or equivalent ERP system with BPO module
- Microsoft Dynamics 365 Business Central (if used for financials)
- Ryxen SupplyGrid for real-time material threshold monitoring and auto-release triggers
- Vendor portal or email system for transmitting release confirmations
- Document management system (e.g., SharePoint) for storing signed BPO agreements
- Accounting software (e.g., QuickBooks Enterprise) for GL integration
- Internal approval workflow tool (e.g., Power Automate) for multi-level authorization

5.0 Step-by-Step Administrative Workflow

1. Verify BPO Status: Before initiating a release, confirm that the blanket purchase order is active, has sufficient remaining balance, and has not expired. Check the BPO header in the ERP system for validity dates and remaining authorized amount.
2. Determine Release Quantity: Using production schedules, inventory reports, or Ryxen SupplyGrid alerts, calculate the exact quantity of materials or services needed. Ensure the release quantity does not exceed the BPO line item maximums.
3. Generate Release PO: In the ERP system, create a release purchase order against the BPO. Select the correct BPO number, line items, and enter the release quantity. The system should automatically populate unit price from the BPO.
4. Apply Approval Thresholds: If the release amount is under $5,000, it may be auto-approved by the system. For releases between $5,000 and $25,000, obtain approval from the Procurement Manager. For releases over $25,000, require written approval from the Controller or VP of Operations.
5. Submit Release to Vendor: Transmit the release PO to the vendor via the agreed method (EDI, email, or vendor portal). Include the BPO reference number and release number. Request confirmation of receipt and expected delivery date.
6. Update Inventory Records: Upon receipt of the release confirmation, update the ERP system with the expected delivery date. If using Ryxen SupplyGrid, sync the release data to adjust material thresholds.
7. Receive Goods/Services: When the shipment arrives, perform a physical count and inspection against the release PO. Record any discrepancies immediately in the ERP system and notify the vendor within 24 hours.
8. Match Invoice to Release: When the vendor invoice arrives, match it to the release PO and the receiving report. Ensure pricing, quantities, and terms align. Route any variances to the Procurement Manager for resolution.
9. Process Payment: After successful three-way match (release PO, receiving report, invoice), schedule payment according to vendor terms. Ensure the payment does not exceed the BPO's total authorized amount.
10. Monitor BPO Balance: After each release, review the BPO remaining balance. If the balance falls below 10% of the original amount, initiate a BPO amendment or renewal process to avoid supply disruptions.