

Blanket Order vs Term Order

Do you know when to use a blanket order versus a term order? Here are some guidelines that may assist you.

	Blanket Order	Term Order
Are you creating this purchase order in case of an emergency?	✓	
Do you know the quantity or frequency of delivery for the items on the purchase order?		✓ (good estimate – may vary from month to month)
Do you need to pick up the phone to call the vendor to place the order?	✓	
Is the total amount on the order an estimate?	✓	
Can you create the order for a maximum of one year (not to cross fiscal years)?	✓	✓
Match rule on the order should be...	Blanket	2-way Line 2-way Line 5% 2-way Line 10%
Do you need to maintain a pre-approval log or release forms?	✓	
Will the voucher go through workflow to be approved?	✓	Only if the voucher amount is \$3,000 or more
Here are examples...	Blanket order for emergency plumbing services Blanket order for bulk roadway salt	Purchase of hay at 100 bales a month for \$5.00 per bale for 12 months to be delivered on the 5 th day of each month Purchase of water delivery service; replenish empty 5-gallon jugs every two weeks (approximately 100 over a one-year period)

The definition of a **blanket order** is an order that allows for emergency purchases OR recurring purchases of a specific service or commodity when the quantity or frequency of delivery cannot be fully determined at the time the purchase order is initiated.

Conversely, the definition of a **term order** is an order that allows for the incremental purchase of a specific product or service when the price, quantity and schedule of fulfillment are largely predetermined and specified in the purchase order at the time it is initiated. The quantity can be the same with every delivery or may vary.

Both types of orders can be created for a maximum of 1 year (12 months) and cannot cross fiscal years.