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Sections Extracted:

Section 6 - Purchasing
Page 5-6

Reason for Extract:

For Kibble internet: http://www.kibble.org/publication_scheme/class_4
Section 4.3 Financial Policies and Procedures

NB:

- **Extract Cover Sheet Must Remain with Extract**
- **Extracts are Uncontrolled Documents and are only Valid at Point of Submission**
- **Where Possible an Extract should be Read in Conjunction with the Parent Document**



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6 Purchasing

6.1 Purchase Orders

An authorised purchase order shall be raised to cover all internally planned purchases that are ordered either on account or for delivery.

As a rule a multi-part Purchase Order form shall be used to enable internal control of the process. Each part enables the individual processes of a purchase to be controlled.

White Part

For physical purchases the white part is usually retained by the vendor as authorisation. If the vendor does not require a copy of this, then the white part should be returned to finance.

Yellow Part

The yellow part of the purchase order should be returned to finance upon the purchase being made.

Pink Part

The purchasers shall retain the Pink Part of the PO for their own records.

The Finance Department shall maintain a list of Authorised Purchase Order Signatories and their relevant PO value limits. This list can be found within "Appendix A" of this Handbook.

Purchase Orders must not be authorised as "Blank". Only properly completed Purchase Order Forms should be authorised.

It is the responsibility of the Authorising Manager to ensure that the purchase order has been raised in the correct manner and item being purchased is suitable and fit for purpose.

A purchase order signatory must not authorise a PO that they have completed or if the item is being purchased for their own use.

6.2 Invoices

All invoices shall be processed within 5 working days of the received date as marked by reception. When the finance department receives an invoice they will match it up with the corresponding Yellow Purchase Order section and Delivery Line (A delivery Line Document is not required for Training & Conference Purchases). This invoice shall then be keyed to the purchase ledger & payment will be made based on payment terms with individual vendors.

Processing time shall be set by the required payment date marked on each individual invoice. If no "Payment Required By:" date is present then the invoice will be paid by the end of the following month.

The only exception to this process shall be approved on-going invoices. Invoices that do not require approval shall be highlighted in Appendix D as "No Authorisation Required". The finance department shall be responsible for ensuring that these Invoices remain at an acceptable level. Any invoice that exceeds the "Normal Level" shall be highlighted to the Finance Manager for verification.



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All unusual invoices with a value in excess of £1,000 shall be authorised by a member of the Senior Management Team. All invoices in excess of £19,999 shall be authorised by the Finance Committee. It is the responsibility of the Finance Manager to determine whether an Invoice is normal or unusual. A member of the SMT shall not authorise an invoice for an item / service that they themselves will use. The exception to this rule shall be when only one member of SMT is present. All invoices signed under these circumstances shall be countersigned by another member of SMT at the earliest convenience.

Payment processing shall be authorised only by a member of the Senior Management Team.

If no Purchase Order Form is present then the invoices shall be sent for authorisation to the relevant department who placed the order. All invoices not covered by a Purchase Order require as a minimum, a signature confirming receipt, and one Line Manager.

All ORIGINAL invoices must be sent immediately to finance on the day of receipt if a different department has received them.

6.3 Suppliers Details

Kibble finance system contains verified detailed of all current suppliers used by the organisation.

To ensure this system remains correct and to combat fraudulent attempts to receive payments, the following steps must be taken in the event of a supplier changing any of its payment or contact details:

- Supplier changes can only be accepted in written form; verbal changes must not be accepted.
- All changes must be verified by the finance department before any payment can be made. This may result in the late payment of an invoice if a change request is received on the same day as an invoice due date.
- Verification must only be conducted using the details already held on record and not the details printed on the change request notification.

If you are in any doubt as to the validity of the request no changes should be made and the incident reported to the Finance Manager.