

Purchasing Procedures

Section 1 - Purpose and Scope

(1) The purpose of this Procedure is to establish the process by which Staff may legitimately purchase Goods and Services on behalf of the University.

Scope

(2) These procedures apply to all Staff engaged in the purchase of Goods and Services on behalf of the University.

Section 2 - Definitions

(3) Assets:

- a. are tangible items that are held for use in the supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one financial year, and have a value exceeding the asset capitalisation recognition threshold in accordance with the [Assets \(Property, Plant and Equipment\) and Attractive Items Policy](#);

(4) Goods and Services:

- a. all property (but not including real estate) and all types of services (including building and construction services);

(5) Purchasing:

- a. the process of acquiring Goods and Services;

(6) Requisition:

- a. a formal written request from a Staff member requesting that a Purchase Order be raised for goods or services they require;

(7) Purchase Order:

- a. a document released by the University to a supplier that defines what is needed, in what quantity, when performance is required, and on what terms, including price and payment terms;

(8) Standing Purchase Order:

- a. a Purchase Order used to enable payment of regular monthly expenses such as, but not limited to, maintenance of assets or frequent purchased items from;

(9) Tender Board:

- a. a committee established to provide either approval of, or oversight into, procurement activities that pose a high level of risk to the University;

(10) Staff:

- a. employees, contractors, volunteers and all others performing work on behalf of the University; and

(11) University:

- a. Southern Cross University and its controlled entities.

Section 3 - Procedures

Responsibilities

(12) Executive Members and Heads of Work Unit are responsible for ensuring this Procedure is understood and adhered to by Staff within their respective portfolios/work units.

(13) All Staff, when Purchasing Goods and Services, must ensure that their purchase complies with the University's;

- a. [Procurement Policy](#); and
- b. [Delegations Rule](#).

Methods of Purchase

(14) Subject to the conditions specified, Staff may use the following purchasing methods:

Method	Conditions
Cash	May be used provided the purchase is made in accordance with the University's Petty Cash Policy .
Corporate Credit Card	May be used provided the purchase is made in accordance with the University's Corporate Credit Card Policy .
Purchase Order	May be used for an approved Requisition for the supply of Goods and Services which has been released as an order to a supplier.
Standing Purchase Order	May be used to enable payment of regular monthly expenses for one supplier, such as stationery, maintenance and electricity.

Requisitions

(15) Each work unit is responsible for initiating Requisitions via the University's electronic Requisition system.

(16) A Requisition does not constitute a Purchase Order and must not, under any circumstances, be represented to a supplier as a Purchase Order.

(17) Approval of a Requisition must be made in accordance with the University's [Delegations Rule](#).

(18) Once a Requisition is approved, it will be released as a Purchase Order by the Purchasing Officer to the relevant supplier.

(19) Subject to clause (29), supporting documents must be attached to the electronic Requisition based on the value of purchase as follows:

Requisition Documentation Requirements

Value of Purchase (Exclusive of GST)	Minimum Requirement	Procurement Approach
\$0 to \$19,999	One Verbal or Written Quote	At least 1 (written or verbal) quote is required. Recurring low value purchases should be consolidated into a single Standing Purchase Order. (e.g. stationery)
\$20,000 to \$99,999	Three Written Quotes	At least 3 written quotations are required. Prepare a procurement plan addressing the key procurement principles. All of the above must be attached to the electronic purchase Requisition.
\$100,000 and above	Tender Board Approval Required	Prepare a detailed procurement plan addressing the key procurement principles. Submit to Tender Board which will determine and advise the most appropriate method of procurement A Requisition made under an agreement or contract that has been signed by a Staff member in accordance with the Delegations Rule does not require subsequent approval.

Purchase Orders

(20) Purchase Orders are used for engaging and authorising a supplier to supply Goods and Services to the University.

(21) A Purchase Order must be created, approved and released to a supplier prior to the supply of the Goods and Services to the University.

(22) Purchase Orders are not required for certain expenditure types including, but not limited to, the following:

- a. purchases using corporate credit cards;
- b. purchases using petty cash;
- c. purchases for some utility items such as electricity, telephone, insurance, rates; and
- d. purchases using tender as a procurement process.

(23) Purchase Orders must be maintained during their life by the creating work unit, including recommending cancellation of any unused balances. Purchase Orders that have aged six (6) months from date of creation may be cancelled by Financial and Business Services unless otherwise notified.

Sole source of supply

(24) Where it is considered that there is only one suitable source of supply and that calling for quotations or tenders would not benefit the University, the Requisition Documentation Requirements at clause (19) may be waived by the Tender Board upon receipt of documented reasons justifying why the calling of quotations or tenders should be waived.

Order splitting or bundling

(25) Staff must not under any circumstances:

- a. split Purchase Orders to avoid Purchasing thresholds; or
- b. bundle Purchase Orders to have purchases recognised as capital expenditure.

(26) Transactions must be valued as a whole transaction and not split into components or parts.

(27) Regular or periodic orders (such as stationery) must be assessed as the annual transaction value.

Preferred suppliers

(28) The University may establish preferred suppliers for the acquisition of specific Goods and Services. The selection of preferred suppliers must follow a formal selection process, which may include, but not be limited to, a Tender process in accordance with the [Tendering Procedures](#).

(29) Preferred suppliers should be used for acquisitions wherever possible. Goods, other than assets, purchased from an approved Preferred Supplier, are not subject to quotation and tender requirements, however normal delegation approval limits apply for the approval of Purchase Orders.

Receipting and Payment Authorisation

Receipting of Goods and Services

(30) The Staff member responsible for receiving the Goods and Services must not be the same person who released the Purchase Order to the supplier.

(31) Goods and Services received must be confirmed against the authorised Purchase Order to ensure that:

- a. they are in accordance with the order;
- b. the quantities received are in accordance with the order; and
- c. their quality is acceptable to the University.

(32) Where there is a cost increase on an approved Purchase Order of:

- a. more than \$500 (excluding GST), the Purchase Order must be re-approved by an appropriate delegated officer;
or
- b. less than \$500 (excluding GST), the Purchase Order may be approved by the Purchasing Officer or Accounts Payable Officer.

(33) Only those persons with delegated authority, or who are otherwise authorised as part of their duties, for example stores employees, may certify the invoice "OK to pay".

(34) Should goods be found to be faulty or service not performed at agreed level, the relevant work unit must arrange return of goods, refunds etc. If possible, details should be noted on the invoice.

Payment Approval

(35) Subject to clause (37), certification should be written on the invoice and must include the:

- a. Purchase Order number;
- b. date the goods were received; and
- c. name and signature of the person certifying.

(36) Payment may be made following certification made in accordance with clause (35), but only if an approved Purchase Order exists.

(37) Invoices less than \$200 (plus GST) do not require certification, provided a duly approved Purchase Order exists and the invoice quotes this Purchase Order.

(38) Only one (1) copy (preferably the original copy) of the approved invoice should be sent to Financial and Business Services for payment.

Prepayment of Purchase Orders

(39) Prepayment of Purchase Orders must only be accepted where the nature of the Goods and Services being purchased warrant it (e.g. Travel). Heads of Work unit (or their nominees) may approve payment in advance up to and including \$10,000. The Director, Financial Operations may approve other prepayments.

Other

Private expenses

(40) Purchases that are considered personal or private in nature are prohibited and must not to be charged by Staff to the University under any circumstances.

(41) Should private expenses be accidentally charged to the University, reimbursement must be made within 10 working days. Failure to do so will be reported to the relevant Executive Member who may commence disciplinary action.

Capital Expenditure Committee

(42) The Capital Expenditure Committee is charged with the responsibility for overseeing the procurement of capital expenditure items in accordance with the Capital Expenditure Committee's terms of reference.

(43) Notwithstanding clause (42), all capital expenditure must comply with the requirements outlined in the [Procurement Policy](#).

Section 4 - Guidelines

(44) Nil.

Status and Details

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