RENFREWSHIRE COUNCIL

NO PURCHASE ORDER NO PAY POLICY

Abstract

This document contains Renfrewshire Council's No Purchase Order No Pay Policy, including permitted exemptions to the Policy

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1. Introduction

The procurement of goods, works, or services for Renfrewshire Council ("Council") must comply with the Council's Financial Regulations, Standing Orders Relating to Contracts, and associated procurement policies.

This document establishes Renfrewshire Council's No Purchase Order No Pay Policy ("the Policy") in relation to where goods, works or services are being procured from an external supplier and payment is made upon receipt of an invoice.

2. No Purchase Order, No Pay Policy

In general, where goods, works or services are being procured from an external supplier, any invoice received from a supplier in relation to those goods, works or services which does not clearly state a valid Purchase Order Number ("PO Number") provided by the Council will be rejected and returned to the supplier unpaid. There are exceptions to this rule, which are outlined further in the Policy.

When awarding grants which may involve the delivery of goods, works or services, or the Council derives any other benefit from them, due consideration must be made to the provisions of this Policy.

For the avoidance of doubt, any arrangements where the primary purpose is the supply of funding/money, either by or to the Council, e.g. loans, bonds, securities, grants or other financial instruments, will not be in the scope of this Policy.

3. Benefits of the Policy

The Council's No Purchase Order No Pay Policy will provide the following benefits:

- Ensures purchases will be authorised from the relevant budget before goods, services and works are supplied, improving compliance.
- Reduces potential risk to the Council by formally agreeing contract terms before the supplier commits to deliver.
- Makes processing of invoices more efficient, helping to maintain a good payment position with suppliers.
- Provides accurate and timely reporting, budgeting and forecasting across the Council.

4. Raising a Purchase Order (PO)

Designated Council staff can raise requisitions within the Council's approved electronic ordering systems where goods, works or services are being procured. Purchase Orders must be raised at the time the goods, works and services are requested, and prior to them being received. The value and type of purchase will determine the level of approval required before a requisition is changed to a PO and a PO Number is created.

The PO, containing its unique PO Number, will be sent electronically to the supplier by the Council's approved electronic ordering system or, where this is not possible, emailed by the requisitioner. Any exemption to this must be approved by the Corporate Procurement Manager. A record of all exemptions will be maintained by the Corporate Procurement Manager and reviewed annually.

5. Payment of Invoices

Suppliers must send invoices directly to a defined Council email address set up for the purposes of receiving invoices.

All invoices must include the following information as a minimum:

- Valid Purchase Order Number provided by the Council,
- Invoice number (or unique identification number),
- Company name and address,
- Clear description of goods / services / works
- Date the goods or service were provided
- Date the invoice was created
- Amount being charged
- VAT rate and amount (if applicable)
- Total amount owed

Invoices received without a current valid PO Number will be returned unpaid to the supplier. The supplier will be instructed to contact the Council employee who requested the goods, works or services to obtain the necessary PO Number and Purchase Order information.

6. No Purchase Order No Pay Exemptions

There are certain situations in which a particular requirement may be exempt from this Policy due to the nature of the spend or the inability to raise a PO in advance.

A No Purchase Order No Pay Exemptions List (PO Exemptions List) is provided in Appendix 1 to this Policy. The Corporate Procurement Manager (CPM) manages the PO Exemptions List and can amend, delete or add exemptions to the PO Exemptions List. The list will be reviewed on an annual basis by the CPM with a view to identifying where processes can be developed to enable the phased removal of exemptions.

Application of exemptions is not mandatory. A Service Department may raise a Purchase Order for an item on the PO Exemptions List in order to access the benefits listed in section 3 of this Policy.

7. Compliance with Policy

Compliance with this Policy will be monitored and compliance reports will be provided to senior management on a regular basis to support enforcement of the Policy.

Compliance information will be used to identify where additional support, guidance and training for employees is required, as well as any activities required as part of the contract and supplier management process.

Appendix 1 – No Purchase Order No Pay Exemptions List

The following identified items or particular categories of expenditure are permitted exemptions from the No Purchase Order No Pay Policy.

- Property rent
- Property rates
- Property service charges
- Planning applications
- Stamp duty land returns
- VAT payments
- Cashflow payments
- Payroll payments
- Legal settlements
- Foreign payments
- Land transactions
- Payments to Scottish Court & Tribunal Services
- Grant payments
- Utility services
- Urgent or Emergency Payments
- Election related payments with unique tax implications
- Payments made by purchasing cards, where purchases are made in accordance with the Purchasing Card Policy
- Payments to suppliers who physically cannot add a PO Number to an invoice
- Alternative payment arrangements are detailed within applicable contract terms and conditions
- Orders that cannot be placed through the Council's ERP Business World system (such as property repairs – orders placed via WorkHub or CAMIS)
- Payments that are not within scope of the No Purchase Order No Pay Policy