



Working Together

PURCHASING POLICY

Policy Number	Insert number 1	Version 1	Insert number 1/11
Drafted by	Carol North-Samardzic	Approved by board	2011
Responsible person	Glen Burns	Scheduled review date	As required

1. Introduction

- 1.1 2GLF needs a clear process for making purchases on behalf of the Liverpool – Fairfield Community Radio Co-operative Limited. This policy and procedures is to formalize the process to be followed that will ensure open, and transparent financial dealings are undertaken by delegated Directors. Purchases will be made in the best interests of the Co-operative and will be fully documented.

2. Purpose

- 2.1 The purpose of this policy is to:

Provide guidance for the purchase of goods and services by the Co-operative and to ensure that the goals of the organization are achieved in an efficient and effective manner. This policy also:

- 2.2 ensures the purchase is carried out in an open, fair and transparent manner
- 2.3 seeks to deliver best value through the most appropriate service provider
- 2.4 strengthens the integrity and confidence in the purchasing system
- 2.5 promotes efficient purchasing practices and their continuous improvement
- 2.5 ensure that the Co-operative complies with all regulatory and funding obligations.

3. Scope

3.1 2GLF directors/volunteers delegated to make purchases are to act in compliance with this policy.

3.2 This policy is applicable to all purchases of goods and services

4. Policy/Procedures

4.1 It is the policy of the 2GLF to order goods and services only in compliance with the control procedures described below.

4.2 The Board will not assume responsibility for purchases or commitments made by unauthorized individuals or not in line with this policy.

4.3 Justification for purchase

4.3.1 Prior to the purchase of goods and services there must be sufficient justification to demonstrate that there is a need for the goods and services to be purchased

4.3.2 Directors/volunteers will not initiate any purchases or incur expenditure unless funds are allocated for the expenditure in the budget.

4.4 Expenditure authority

4.4.1 Individual goods or services to the total \$300 require Director approval even if they are budgeted for. Above \$300 see 4.4.3.

4.4.2 Emergency expenditure requires the approval of the Board. This may be sought through email and still requires quotations where possible.

4.4.3 The following are the quotation requirements

Value of Order	Requirement
\$300 and below	Approval of the Director assigned that budgetary amount. Quotations preferred. Payment voucher
Items \$300 - \$1000	3 written quotes for items in the budget. Treasurer approval. Purchase order Payment voucher
Above \$1000	3 written quotes and Board endorsement. Purchase order and Payment voucher

4.5 Value for money

- 4.5.1 The Co-operative will strive to obtain the best value for money. The purchases of goods and services will be made in the best interest of 2GLF. Goods and services providers should be selected based on: **optimal price, quality, payment and delivery terms and other key supplier considerations.**
- 4.5.2 No goods over \$300 in total may be delivered or services performed unless there is a commitment for such goods or services. All commitments must be in writing, in the form of a **purchase order or contract.**

4.6 Procedures

4.6.1 Purchase requisitions and requests

A Purchasing Order must be acquired from the administration for all requests over \$300. Three quotes must be presented for orders in excess of \$300 and less than \$1000 with the written authority of the Director.

For items in excess of \$1000 Board approval is required.

NB. Purchases should be planned where possible to ensure adequate time is given to gaining the best goods and services at the best price. **Maverick purchases are strictly prohibited.**

4.6.2 Supplier Selection

It is the responsibility of the person making the purchase to make sure quotes are made for identical items with the same specifications. Selection should be based upon the stated prerequisites and needs.

The selection of a particular supplier must be based upon the capabilities, quality, performance, and terms and conditions offered by the selected supplier. They must be competitive.

If it is not possible to obtain three quotes the person responsible for the purchase must document the reason that three quotes were not obtained. If price is not the sole reason for selecting the supplier, the reason for the selection should be documented.

4.6.3 Single Source Suppliers

This situation exists:

Where a single supplier is chosen as the only source for specific and there are clearly defined reasons, e.g. Sole supplier. This should be noted on the purchasing documentation.

For those cases where repetitive buying of goods and services takes place and price reductions can be obtained

4.6.4 Purchase Orders

Purchase orders are created by the admin assistant on presentation of a purchase request. Purchase orders should not be created retroactively after the reception of goods, services or a supplier invoice.

All invoices should be sent directly to 2GLF and addressed to the Co-operative. For all purchase orders, the supplier should be requested to sign a copy of the Purchase Order and return it as acknowledgment of the order.

Purchase orders which are completely fulfilled are considered closed. Purchase orders, which are partially delivered/ fulfilled and for which no more deliveries are expected, should be closed by the purchaser.

4.6.5 Contracts

A contract should be prepared for purchasing goods and/or services that may involve significant risks. Factors that assist in determining risk include requirements for: particular performance standards, intellectual property or liability, performance criteria, and warranties.

4.6.6 Proof of performance/Goods Receipt

For all goods delivered and services provided, a documented proof of performance is required.

For goods: delivery documents must be signed by the person responsible for receiving goods. Prior to signing the delivery documents, the receiver should perform a visual check and where feasible, a quantitative and qualitative check.

For services: each supplier providing services has to submit, if applicable, an activity report with a clear description of his tasks and the time spent. It is the requestor's responsibility to check the report's accuracy and approve it.

4.6.7 Payment

Prior to each invoice being released for payment. Payment vouchers must be completed including:

Who made the purchase/under whose authority

A copy of the invoice

Documentation that the good/services were received, as per purchase order

Payment will be made by cheque or direct deposit using the supplier's bank account details.

N.B Expense claims must be made within 90 days of the purchase being made. This is effective from 1st July 2016 (Board Minutes 18/06/2016)

4.6.8 Equipment Purchases

Equipment and assets over \$1000 or above will be recorded in the Assets Register.

4.6.9 Service Agreements

In some situations it may be necessary to enter into a service agreement, e.g. photocopier. In this instance, quotations should be secured and Board approval sought.

4.6.10 Return of Goods/ Unsatisfactory Services.

Where goods and/or services were found to be faulty, improperly performing or not as specified the supplier must be immediately contacted and details noted on the invoice.

If goods are returned to the supplier, details must be noted on the invoice and order and the supplier should not be paid for the returned good.

4.6.11 Defined Purchasing Roles

Directors, with the approval of the Board Treasurer, may authorize the purchase of budgeted items to the value of \$1000. Items over \$1000 must have Board approval. Financial management is the role of the Treasurer who will indicate if funds are readily available. The administration assistant acting in the role of Global Administrator can authorize payments in conjunction with the Treasurer for amounts over \$1500 using internet banking. The signatories on the cheques will be the Co-operative's Executive.

C North-Samardzic 09/01/11