



UTC Cambridge Purchasing Policy

Lead member of SLT: HRM/Business Manager (Elizabeth Andrews)
Designated Governor: Finance and Audit Committee Chair (Scott Haldane)

Legislation and reference:

EFA Academies Financial Handbook [Academies Financial Handbook 2015 - Publications - GOV.UK](#)

Associated documentation

UTC Cambridge Finance Manual (February 2016)
UTC Cambridge Petty Cash Policy
UTC Cambridge Mileage, Expenses and Subsistence Policy

UTC Cambridge Vision

UTC Cambridge: Delivering Future Scientists

UTC Cambridge Mission

Through an innovative curriculum, developed with leading scientists from industry and academia, UTC Cambridge builds bespoke learning solutions delivered in a state of the art science and technology environment that empowers students to manage their academic and career development.

UTC Cambridge Values

We set ourselves challenging goals, are agile and resilient, to achieve our personal best.
By respecting one another we enhance our experience and benefit from different perspectives.
We take individual responsibility, ensuring team delivery.
By respecting our environment, our world, we make a difference.
We celebrate positive contribution and aspire to excellence.
We are morally and ethically responsible in scientific and environmental innovation.

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1. Introduction

- 1.1. The purpose of this policy and procedure in relation to the procurement by UTC Cambridge hereafter known as UTCC.
- 1.2 This document should be read in conjunction with the UTCC Financial Manual and the EFA Academies Financial Handbook.

2. Aims of the Policy

- 2.1. UTCC is committed to the pursuit of excellence and the adoption of best current practice in the purchasing function.
- 2.2. All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgement.
- 2.3. This policy applies to all staff and students wishing to purchase items on behalf of UTCC.
- 2.4. The objective of the policy is so that:
 - The extent of the commitment is known.
 - Financial allocations are not exceeded without appropriate authority.
 - Only goods or services ordered or contracted for are paid.
 - Purchases and contracts are lawful.
 - Value for money and sustainability is obtained via the purchasing process.
 - All factors affecting the total cost of acquisition will be considered, including: price of purchase; delivery charges; installation and commissioning costs; warranties or guarantees; related consumable items; maintenance; and life expectancy of equipment.

3. Authorisation and Approval

- 3.1. All orders should be authorised by the appropriate budget holder or by an authorised signatory, who is authorised to sign against a particular cost centre.
- 3.2. Prior to entering into a formal contract, advice and authorisation should be sought from the Principal and HRM/Business Manager to consider the effects of the contractual terms upon the College. The Finance Coordinator should also be consulted.
- 3.3. A college purchase order must be raised for any purchases prior to the order being placed and authorised by the relevant signatories.
- 3.4. All quotes must be attached to the Purchase Order.
- 3.5. Where the purchase order covers several months, a spreadsheet may be attached detailing the cost.
- 3.6. Where the final amount of the purchase is not known, because of the quantity eg exam entries, a blanket purchase order must be completed.
- 3.7. The Purchase Order will be e-mailed to the Supplier as UTCC's commitment to purchase.
- 3.8. Purchases are also permitted using the College Purchasing Card. Cardholders are authorised to conduct transactions on College business only up to their card signing limit and providing the relevant purchase order has been correctly authorised. Card Holders will be able to review their transactions on a monthly basis.
- 3.9. The Principal must approve new cardholders and may withdraw any card where a breach of procedures or regulations has taken place.
- 3.10. Reimbursement forms can be raised in purchases cannot be made using options (3.3) or (3.6). This option must be used sparingly and not to circumvent the College purchase order system.
- 3.11. Where orders are of the following values, the following number of quotes must be gained:

Order Value inclusive of VAT	Number of Quotes
Less than £1,000.00	One Verbal or Written
£1,000 to £4,999	Two Written Quotation
£5,000 to £50,000	Three Written Quotations
Greater than £50,000	Tendering Competition

- 3.12. Single value orders of value more than £20,000 will be submitted by the Principal to the Finance and Audit Committee for authorisation.
- 3.13. For orders of greater than £50,000 in value, a tendering or further competition process must be conducted as per the tendering procedure. The Chair of the Finance and Audit Committee has the authority to instruct a tender to be issued or agree for the College to join a framework agreement.

4. Waiver of Financial Regulations

- 4.1. The above procedures may only be waived or relaxed if made in writing to the HRM/Business Manager on the College Waiver of Financial Regulations Form, who will evaluate the request and advise the Principal/Finance Coordinator of any procurement concerns.
- 4.2. The Waiver must be signed by the Principal.
- 4.3. Details of waivers issued will be logged by the Finance Procurement Team.

5. Ordering

- 5.1. Purchase Orders are the primary tool used by the College for the raising and placing of orders with suppliers.
- 5.2. These orders are raised by the staff member and are authorised by the budget holder, HRM/Business Manager and the Principal.
- 5.3. The Principal is last line authorisers for all orders raised electronically and may check if a preferential deal can be obtained from a different supplier, or may recommend a particular preferred supplier is used.
- 5.4. Blanket Purchase Orders can only be use with the agreement of the Finance Coordinator and enable one order number to be generated for a fixed period of time.
- 5.5. The purchase order must state the:
 - budget code
 - give a full description and the quantities of the items ordered
 - the estimated cost of the goods or services
 - contain the correct number of quotes and be signed by the relevant signatories.
- 5.6. For items of Capital expenditure, a Capital request form must have been completed and authorised prior to the purchase order.
- 5.7. When an order is placed, a commitment for the relevant amount is created on the Financial Reporting System and is deducted from the expenditure code against which the order was placed.
- 5.8. Purchase orders must be issued for all goods and services with the exception of items Purchased through Petty Cash, Staff and Student reimbursement forms.
- 5.9. Advice should be sought from the Finance Coordinator if in any doubt on the best way to Purchase items
- 5.10. Any breach of these regulations must be brought to the attention of the Finance Coordinator who will inform the Principal.

6. Receipts of Goods and Services

- 6.1. All goods and services must be checked on receipt or completion by the purchaser or his/her authorised representative.
- 6.2. The delivery note or other record must be signed by the person receiving the goods. Any discrepancies must be notified immediately to the supplier, preferably by telephone, and confirmed in writing.
- 6.3. The delivery note should then be signed, dated and forwarded to the Finance Coordinator.
- 6.4. Where goods are received on behalf of a Budget Holder and not immediately checked then the delivery note must be signed as “unexamined”.
- 6.5. Where goods are returned to the supplier it is essential that the supplier is informed of the reasons and a signature is received from the recipient. The signed document must be sent to the Finance Coordinator, and a copy retained by the purchaser. The copy orders must be clearly annotated that a “credit note is required”.

7. Processing of Invoices for Payment

- 7.1. All invoices should be addressed to and received by the Finance Coordinator.
- 7.2. Any invoices received by the College should be forwarded immediately to the Finance Coordinator.

- 7.3. If a Goods Received or Part Delivery Note for the relevant item(s) has been received by the Finance Coordinator, the invoice will be posted as ready for payment at the appropriate time.
- 7.4. If there is a Purchase Order number to which the invoice can be matched but no Delivery or Goods Received Note has been received by the Finance Coordinator, they will contact the relevant Purchaser to request that the be forwarded as soon as possible, provided the goods have been received and accepted.
- 7.5. If the amount of the invoice is different to that of the original purchase order, the invoice will be sent to the Principal to authorise the variance.
- 7.6. A variance which requires authorization is 5% or £20 whichever is the lesser of.
- 7.7. If an invoice is received without a purchase order to match it against, this will be reported to the Principal as a breach of this policy. The Finance Coordinator will then send the invoice to the relevant Budget Holder for authorisation. If it has not been sent to the correct Budget Holder, the recipient should return it to the Finance Coordinator.
- 7.8. When the correct Budget Holder receives the invoice(s), if they are satisfied that they have received the goods or services for which we are being invoiced, they should authorise and code the invoice and return it to the Finance Coordinator. If additional signatures are required, the Budget Holder should ensure these are obtained before returning the invoice to the Finance Coordinator.
- 7.9. Fully authorised invoices only will be processed. It is the responsibility of the Finance Coordinator to ensure that all the necessary checks are undertaken prior to processing.
- 7.10. Where an invoice has been or is being paid in full and a credit note is obtained for the whole or part of the charge, the credit note must be authorised and recorded using the same process as an invoice and then passed to the Finance Office for posting.

8. Payment of Creditors

- 8.1. Payment of money due from the College shall be by BACS, cheque, direct debit or a standing order on the College's bank account, except for small sums defrayed in cash from petty cash.
- 8.2. The preferred method of paying suppliers is via BACS (Bankers Automated Clearing Services) on weekly payment runs. Where bank details of a supplier are not held or they are not a regular supplier, invoices may be settled by cheque.
- 8.3. All authorised and posted invoices for which details of the relevant supplier bank details are held that are due for payment at the time of a payment run will be selected.
- 8.4. The list of selected payments will be presented to the Principal for checking and authorisation and then to the HRM/Business Manager (or another bank signatory in line with the current bank mandate) for authorisation.
- 8.5. The College endeavours to pay all of its creditors promptly and within the terms of business agreed with these individual suppliers.
- 8.6. All cheques require two signatures from those listed on the bank mandate. Cheques for cash also require two signatures.
- 8.7. In the event that a cheque needs to be cancelled, the cashbook must record an explanation as to why a cheque has been cancelled.
- 8.8. The member of staff initiating the replacement cheque must ensure that the original has not been presented at the bank, and a "stop" is placed on the cheque at the bank.
- 8.9. In the event of an "Unissued Cheque" because it is drawn up erroneously or ambiguously, the word 'CANCELLED' shall be written both across the cheque and the corresponding chequebook 'stub'.
- 8.10. The bank dispatches all cheque books addressed to the Principal who will immediately forward them to the Finance Coordinator.
- 8.11. The Finance Coordinator will ensure that all books are recorded in the Finance System and kept in a locked safe.