Millennium Farm Trust

F2 Purchasing and Procurement Policy VO2

Next review date Dec 2024

DEPDEN CARE FARM

Version control

Version number	Date of changes	Who	Review summary
01	12/18	J Massey	First version
	02/21	T Freathy	Reviewed
02	07/23	T Freathy	Review. Added reference to credit card use.

Introduction

To maintain quality and value of the organisation’s services, control must be exercised over any products or services purchased. To ensure this, purchases must be authorised according to the scheme of financial delegation (See Terms of Reference). Goods and services received should be checked immediately.

Purchase approvals

Purchase are made according to the scheme of delegation set out in the Board Terms of Reference. This states that:

1. Items within agreed budgets are delegated to the Director.
2. Purchases outside this must be authorised by MFT Treasurer in discussion with the Chair. Eg projects.

Spend is recorded in the monthly management accounts against each budget or project heading and submitted to MFT Treasure for checking.

Payment approval

Where payment is not made in advance an invoice is required before payment can be made. On receipt of the relevant invoice, the Director (or a delegated staff member) checks for receipt of the goods or services and is signed off for approval for payment by the Treasurer.

The Treasure checks authorisation and budget heading and makes the payment. Where payment was in advance a check must still be made to ensure that the requirements of the purchase have been satisfied.

A refund or other relevant redress should be sought from the supplier if goods or services are not as specified.

Ensuring value

Purchasers should make every effort to ensure best value is obtained by shopping around. The number and type of quotes required depends on the likely cost to be incurred by the organisation and is shown in the following table. Cost

	Minimum quote requirement
Up to £1000	One quote (*)
Between £1000 and £5,000	Two quotes (*)
Over £5,000	Three quotes

* Quote can include copy of catalogue listing or internet search.

In some circumstances there may only be one supplier who is able to undertake the work within the specification or timeframe required. In this situation the work must be approved by the Director and Treasurer or the Chair. The preferred quote should be selected based on value, quality and suitability of the goods or services to the required purpose.

Payments: Invoiced payments

Payments from the bank accounts need to be controlled and recorded. No payment should be made unless the invoice has been matched to approved purchases by the Director, and he has indicated that the goods or services are satisfactory.

Once authorised, the invoice is either:

- Paid for through the MFT credit card or
- Passed to the Treasure for payment directly via electronic banking.

Payment can be made directly by the Director and reclaimed at the end of the month as an expense but only if other options are not available.

The preferred method of payment is by electronic banking. These are processed as required.

Payments by cheque may be made where BACS payment is not possible.

The paid invoices are filed in the current month's invoices paid file and passed to the Book keeper for entry onto Sage.

Payments: without invoices

Payments for goods of services without invoices can be made within the delegated limits and subject to ensuring best value as outlined above. In such cases all purchases must supported by receipts or, in the case of internet payments, proof of purchase email or order confirmation.

If a BACS payment is required the request the Treasurer must include full details of the payees sort code, account name and account number. A payment will be processed online and the details passed to an authorised signatory for final approval and release of the payment.