



The Queen's Church of England Primary School

*Encouraging every child to reach their full potential,
nurtured and supported in a Christian community
which lives by the values of Love, Compassion and Respect.*

THE QUEEN'S SCHOOL Purchasing Policy

Agreed by:	The Queen's School Governing Body
Date:	September 2018
Review Cycle:	Annual
Next Review Date:	September 2019
Version:	1.1

All the Queen's School policies should be read
in conjunction with the Equality Policy

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Overview

The successful control of the ordering and purchasing within the School is a complex task and by effective implementation of this policy we aim:

- To contribute towards the internal controls by which the School ensures that its finances are properly managed. Specifically we will ensure that proper approvals are obtained, and segregation of duties is observed.
- To demonstrate that we actively strive towards obtaining and providing 'best value'.
- To achieve a common understanding of how we place orders and pay for goods and services.

The policies for ordering and purchasing are also governed by the principles of internal financial control described in the latest Schools Financial Regulations and Standing Orders produced by the London Borough of Richmond upon Thames (LBRuT).

Obtaining and Providing 'Best Value'

The School must achieve Value for Money on all purchases. This means obtaining goods and services at the correct quality, quantity and time at the best price possible. We aim to achieve best value by:

- **Comparing** ourselves with other Schools and thoroughly monitoring expenditure and providing regular reports to the Governors Finance Committee.
- **Challenging** and asking why and how a service/contract is being provided. We aim to be clear about our priorities in relation to the use of reserves, with curriculum led thinking and justification for actions.
- Where possible, looking for **competition** in securing the most economic and efficient resources, contracts and services for our pupils and parents through quotations and tenders.

Obtaining the Best Price

Price should never be the sole factor in deciding what goods or services to order e.g. lower maintenance costs and a longer life span for a product can mean that money is saved in the medium to long term. To establish whether a price is competitive, we use one or more of a variety of strategies before committing any expenditure;

- check trade journals, catalogues and magazines, the internet;
- consult other schools to share experience of similar purchasing;
- seek several quotations or formal tenders;
- collate orders from several departments in order to procure discounts;
- ensure that offers of discounts are taken up if appropriate.

Obtaining Quotations

A quotation is obtained when a supplier replies to a request for a price to supply specific goods or services. Telephone quotes are acceptable if these are evidenced and written¹ confirmation of quotes has been received before a purchasing decision is made. Budget holders are responsible for the retention of all relevant documentation.

The Governing body has established the following procedures for obtaining quotations:

- For orders **up to £1,000**, no specific numbers of verbal quotations are required but verbal quotations must be documented in writing, and attached to the pro forma, as evidence that the procedures have been followed. The person placing the order should be sure they have, as far as possible, obtained value for money.
- For orders **between £1,001 and £3,000**, the person placing the order should compare prices with 2 suppliers (i.e. by a written quotation unless it is impracticable to do so), and again evidence it in writing attached to the pro forma.
- For orders **between £3,001 and £10,000** there should be 3 quotations, which must be in writing and which must be retained and recorded on the form in Appendix I. There may be cases where it is not possible or required to get 3 quotations and reasons for these exceptions need to be recorded on the form. For example, orders within an overall agreed contract (e.g. SLAs, energy, catering, cleaning, telephones, staffing agencies etc) for which the contracts will be reviewed at least every 3 years to assess continued Value For Money.
- For orders **between £10,001 and £50,000**, 4 or more written quotations should be obtained.

¹ Unless otherwise stated, 'written' includes electronic submission of documents

- Expenditure likely to **exceed £50,000** should be put out to tender.
- If for any reason it is not possible to follow the above procedures, then this must be recorded and minuted in a Governors' Finance Committee meeting, with associated reasons.
- For orders over £10,000, if the lowest quotation is not accepted then this must be recorded and minuted in a Governors' Finance Committee meeting, with associated reasons. Governors may seek professional advice if appropriate to ensure that the correct form of contract is entered into.

Tender Procedure

- A tender is required when a supplier is requested for a written price and/or terms to supply specific goods or services in response to the provision of a written, detailed description or specification of the goods or services required.
- Where the estimated value of a purchase exceeds £50,000, the formal tender procedure should be followed in line with the recommendations of the Schools Financial Regulations and Standing Orders ("SFR") ([LINK](#)). See *SFR Annex 1: Contracts and Tendering* for the procedure.

Authorisation and Expenditure Limits

Prior approval from the Finance Committee (FC) or the Full Governing Body (FGB) should be obtained for all expenditures above the delegated authority given to the Head Teacher and budget holders as set out in the Purchase Authorisation Flowchart – Annex I

Purchase Ordering Procedure

In order to achieve best value, it is important that a consistent procedure is followed throughout the school when goods or services are purchased.

It is the responsibility of all budget holders to manage their budgets and to ensure that funds available are not overspent.

The process is as follows (note that quotations must be obtained as per section 4 above):

1. The person requesting the expenditure ('requestor') raises an internal requisition using the pro-forma available in the School Office or S:\Staff Forms (see Annex V).
2. The requisition is approved by an appropriate signatory (see Annex II) and, where relevant, the holder of the budget from which the expenditure will come.
3. After approval, the Finance Assistant will convert the requisition to an official order in Corero with an order number produced by the system.

4. The official order must be signed by a member of staff authorised by the Governing Body in the Scheme of Delegation. The list of authorised signatories is in Annex II.
5. The Finance Assistant will dispatch the signed order by email or post to the supplier and file a copy in the designated Purchase Order file that is stored securely. At this point, the amount of the order will automatically be entered onto the finance system as a commitment against the relevant budget.

Individuals must not use official orders to purchase goods and services for private use.

Credit Card Purchases

The school has two Government Purchasing credit cards available for emergency purchases or those where the supplier can only accept card payment (see Annex III – Credit Card Procedures). One card is held by the Head Teacher, and the other by the SBM. The Head Teacher has authority to spend up to £100 per transaction without pre-approval.

All purchases on the card held by the SBM must be approved in advance using the authorisation form (see Annex VI), and authorised in line with the Purchasing Card Procedures. A VAT invoice/receipt should be obtained with the purchase and submitted immediately to Finance for processing.

The procedures laid down in the Schools VAT Manual (SFR Annex 4) must be followed and any queries on VAT referred to HMRC or the LA Liaison Officer by the Finance Department.

Staff Expenses

In certain circumstances it may be necessary for staff to incur expenses using personal funds, and then seek reimbursement from the school. Reimbursement is processed through the monthly payroll. Procedures governing the expenses process are set out in Annex IV – Staff Expenses Procedure, and the form of Staff Expenses Claim is provided at Annex VII.

Receipt of Goods

On receipt of the order, the requestor will undertake a detailed check of the goods received against the official order. If any discrepancies or damages are found, the requestor should inform the finance office, to ensure the invoice is not paid. The requestor should then follow up the discrepancies with the supplier. If no damages or discrepancies were found, the original order is annotated with the date received.

Similarly for services, the requestor is responsible for ensuring that the services received are in line with the order, and marking the order to confirm that the services have been satisfactorily performed.

Returning goods

Any faults/discrepancies should be reported to the Finance Assistant immediately who will note this on the system. The requestor should then report it to the supplier and obtain detailed instructions for return or collection of goods. Goods must never be returned to a supplier without a supplier's returns number/reference otherwise the School is still responsible for the goods and therefore payment.

Invoices

All invoices should be "fit for purpose" and therefore must include, inter alia, a unique invoice number, supplier's name, address, contact details and VAT number, details of the goods/services supplied and the amount charged.

Invoices are stamped with the date when they are received by the Finance Assistant. The Finance Assistant cross-references the official order and checks:

- receipt of goods/services
- prices accord with quotations/tender/catalogue prices and arithmetic is correct
- discounts are taken, where available
- VAT has been treated correctly

All correct invoices are passed onto the Budget Holders or other approved members of staff to certify for payment. The list of authorised signatories is in Annex II.

Certified invoices are processed on Corero by the Finance Assistant.

Payments

Payment should be made within the time limits specified on the invoice.

The School should not make any payment on the basis of a photocopied invoice (without being certain the original is not available) or statement from a supplier.

The School Business Manager approves all processed invoices on Corero after checking they are:

- authorised properly
- coded correctly

Once invoices are approved on the system, the Finance Assistant prepares a payment run and prints cheques. Cheques must be signed in line with the bank mandate and list of authorised signatories (Annex II).

All paid invoices are stamped PAID, scanned into Corero and stored securely.

Conclusion

If this policy is fully implemented, then the School believes it can be satisfied that:

- best efforts have been made to obtain the best price and value for money;
- prices are reasonable for the specific contracts, goods or services;
- prices accurately relate to any quotations or tenders;
- prices have been correctly calculated;
- prices have been correctly interpreted with respect to VAT (inclusive or exclusive) and postage and packaging;
- the goods or services ordered are appropriate and needed;
- there is adequate budgetary provision for the particular order;
- suppliers are paid on time;
- the School does not incur further costs due to returned goods lost in transit or late payment.
- there are sufficient segregation of duties through the purchasing process

Other relevant policies

- Financial Delegation of Authority
- School Credit Card Procedures
- Staff Expenses Procedures

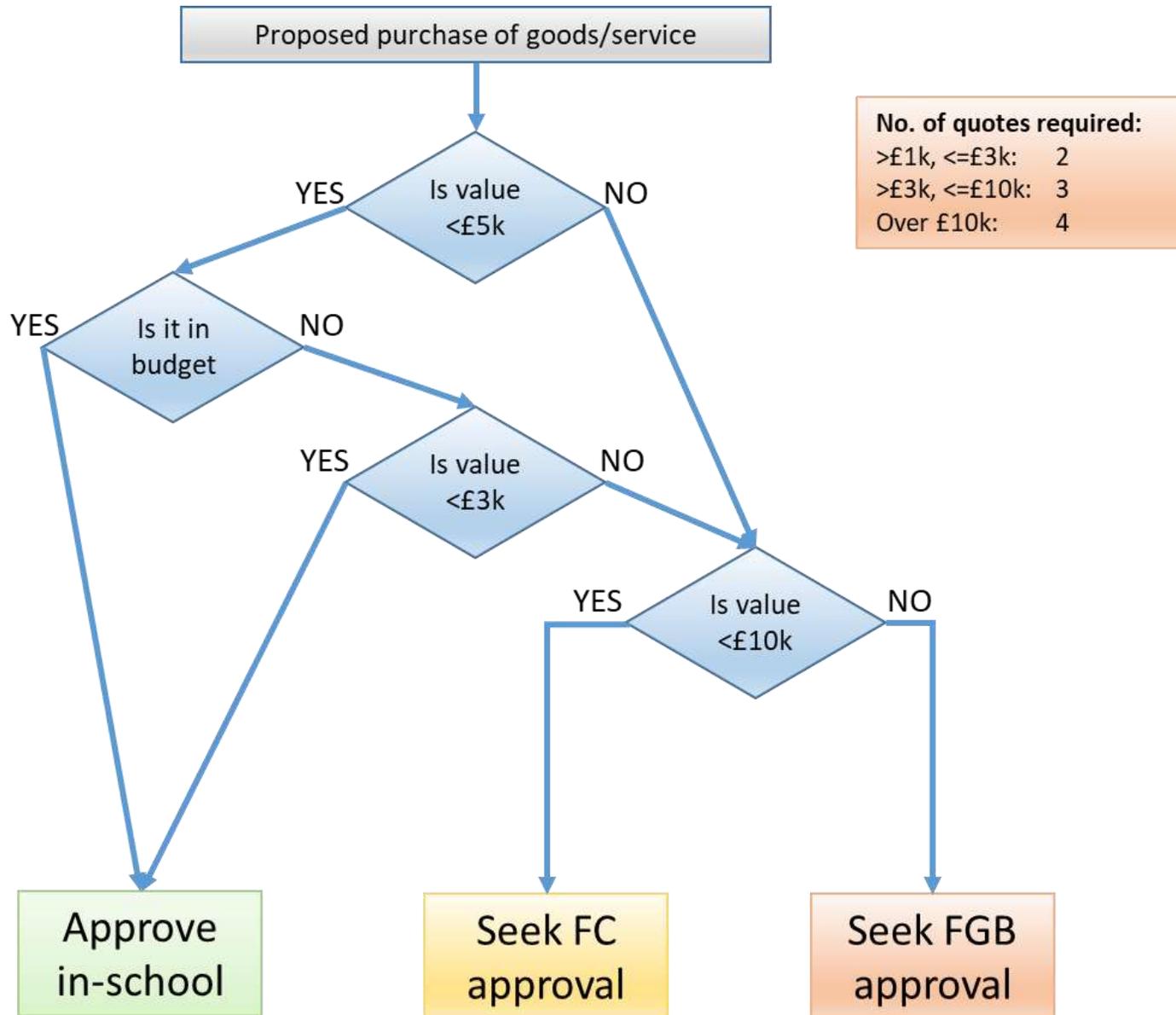
Approval

This policy was approved by the Governors' Finance Committee on []
It will be reviewed annually thereafter

Version history

Version	Date	Description	Status
1	May 2015	Version adopted by Governors	In force
1.1	July 2018	Proposed revision by SBM	Draft

Annex I – Authorisation Level Flowchart



Annex II – Authorised Signatories Policy

General principles:

The purpose of this policy is to protect the school, its staff, and its suppliers, by ensuring that expenditure is properly scrutinised, authorised and recorded.

Four-eyes principle: Subject to *de minimis* thresholds, at least two people must approve expenditure at the point of (i) entering into a binding commitment; and (ii) making payment. Wherever possible, at least of three different people should be involved across stages (i) and (ii).

Incurring a commitment:

The flowchart in Annex I shows the approval levels required for different levels of expenditure. Where an item of expenditure falls within the 'approve in-school' category the following levels of authorisation are required:

Amount	Approval required
Up to £100	Budget holders may self-approve Otherwise line manager or budget-holder approval required
£101 - £1,000	SLT member
Over £1,000	Head Teacher, or in her absence two SLT members

As noted above, the requestor and approver must be different people, except where a budget holder is self-approving expenditure under £100.

Payment of invoices:

- The Finance and Lettings Administrator will flag invoices for payment in Corero and present the Corero payment report, together with the invoices to be paid, to the Head Teacher for approval.
- All invoices for payment must be approved and initialled by the Head Teacher. If the head teacher is absent for more than a week the Deputy Head may approve invoices in her absence.
- When the Head Teacher has approved the proposed payment batch, the report and invoices will be passed to the Business Manager for approval in Corero. The Business Manager will countersign the paper invoices to confirm his approval.
- Cheques will then be printed from Corero and signed in accordance with the bank mandate:

[Whatever the mandate says]

Direct debit payments:

Where suppliers are providing goods or services on a regular basis it may be appropriate to set up a direct debit arrangement. All new direct debit mandates must be approved by the Head Teacher and Business Manager. Direct debit mandates must be signed in accordance with the bank mandate and (effective 1st September 2018) a copy, countersigned by the Head and SBM to confirm their approval, will be kept on file.

Annex III – Credit Card Procedures

Aim:	To ensure that all purchasing card transactions are authorised, recorded and processed properly.
Background:	The school has two Government Purchasing Cards for use in circumstances where it is not possible to use a credit account with the supplier. One card is held by the Head Teacher, and the other by the Business Manager. Card holders are responsible for ensuring that the cards are used in accordance with the Cardholder Agreement.
PROCEDURE:	
HT Credit Card:	
The HT has authorisation from the GB to spend up to £100 on any one transaction. Any single spend over this must be approved by Chair of Governors. Each term the HT credit card statement will be reviewed and approved by the Chair of Governors.	
School Credit Card:	
The following procedures should be followed by all staff members: <ul style="list-style-type: none"> • A Credit Card Purchase Authorisation Form should be completed for ALL credit card transactions. A hard copy of the form can be found in the main office or alternatively an electronic copy can be found in S:\Staff Forms. If you wish to purchase an item via the internet, please complete the electronic form, including the relevant hyperlink(s), and e-mail it to Hannah Mbaire. Please include the Budget Heading the cost should be coded to. If you do not know this, please ask the individual you think should be approving the transaction or, alternatively ask Finance. • Once complete the form should be printed and passed to the Budget Holder for authorisation. A transaction will not be processed unless it is authorised. • Once authorisation is received, pass the form to Hannah Mbaire, who will place the order. • On receipt of the goods please pass invoices or delivery notes to Hannah Mbaire. • Please ensure that you obtain a VAT receipt where relevant, to allow the school to claim back the VAT. For purchases under £250 a till receipt may be sufficient, as long as it contains the supplier's name and VAT number, the date, a description of the goods, and the total amount including VAT. 	
Processing of expenditure:	
<ul style="list-style-type: none"> • Process the credit card order, checking that appropriate authorisation has been received. • Upon receipt of the email confirmation of the credit card order, the cost should be posted as a CASH BOOK PAYMENT to CREDIT CARD. • Print the email confirmation and place on the Credit Card File. • On receipt of the credit card statement a Ticking Reconciliation (CASH BOOK) should be undertaken by the SBM against the statement. Any transactions on the statement and not on the system will be investigated immediately. 	
Prepared by:	School Business Manager
Date:	August 2018

Annex IV – Staff Expenses Procedures

Aim:	To ensure that school expenses paid by staff from personal funds are properly controlled, accurately recorded, and promptly reimbursed.
Background:	<p>Wherever possible expenditure should be incurred through the purchase order system, with suppliers with whom the school has a credit account. Inevitably, however, it will sometimes be necessary for staff to purchase travel, services or goods using personal funds and then obtain reimbursement from the school. The reimbursement will be processed through the monthly payroll.</p> <p>Tax law requires that employee expenses be incurred “wholly, exclusively and necessarily” for the purpose of the employment. If this condition is not met, the reimbursement may be treated as income and subject to tax and NICs.</p>
PROCEDURE:	
<p><i>Employees incurring expenses:</i></p> <ul style="list-style-type: none"> • Wherever possible, you should obtain verbal approval from your line manager before incurring expenditure. • Claims for reimbursement should be submitted using the school Expenses Claim Form. Hard copies are available in the SBM’s office. A soft copy is available at S:\Staff Forms. • Receipts should be obtained wherever possible, and where VAT is applicable the invoice should include the supplier’s name and VAT number, to allow the school to recover the tax. • If receipts cannot be obtained (for example, use of Oyster pre-pay), you should include sufficient detail of the expenditure on the claim form to allow the cost to be checked. • The budget to be charged with the cost should be identified on the form. • The expense claim should be signed and dated, and passed to your line manager for approval, together with the supporting documentation. In the absence of your line manager a member of the SLT may approve expenses. • Approved expense claims should be passed to the SBM for processing. Claims received before the payroll cutoff – normally the 12th of each month – will be processed in that month’s payroll. <p><i>Processing of expenses:</i></p> <ul style="list-style-type: none"> • Approved expense claims received before the cut-off date will be entered on the monthly payroll adjustments spreadsheet. • The completed spreadsheet should be printed and signed by the head teacher to confirm approval before submission to Dataplan. • The soft copy of the spreadsheet will be uploaded to Dataplan for processing • On receipt of the e-payslips from Dataplan, checking that expenses have been paid correctly will form part of the monthly payroll checking process. • The annotated ‘Monthly Gross Variance Report’, including details of expenses, will be approved and signed by the Head Teacher before the payroll is approved for payment in Dataplan 	
Prepared by:	School Business Manager
Date:	August 2018

Annex V – Purchasing request form



The Queen's Church of England Primary School
Purchase Request - Authorisation Form

Description	Supplier	Quantity	Ex-VAT price	VAT	Purchase price
TOTAL					

Budget to be charged:

Any other information:

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Requested by:

Date:

Approved by:

Date:

The Queen’s Church of England Primary School
Credit card purchase - Authorisation Form



Description	Supplier	Quantity	Ex-VAT price	VAT	Purchase price
TOTAL					

Budget to be charged/any other information:

Requested by:

Date:

Approved by:

Date:

Notes
To allow the school to recover the tax, please obtain a VAT invoice for any purchases which include VAT.
For Amazon purchases, this is NOT the order confirmation sent by email. It is obtained by accessing the Amazon account used for the purchase.
Please send all supporting documents (order confirmations, delivery notes, invoices) to Hannah Mbaire.

