

Purchasing procedures:

BUDGETS

Early in the Lent Term, Budget Holders will submit to their Line Manager a draft budget for:

- Staffing changes, training requirements and other personnel items (discussed in conjunction with HR manager)
- Small equipment/furniture (items costing below £5,000)
- Capital items above £5,000
- Refurbishment projects (these will usually have been discussed at project planning meetings with the Assistant Bursar)
- all operational expenditure

These will be scrutinised by Line Managers and the College Accountant before being incorporated into the preliminary draft budget.

The Bursar and College Accountant will scrutinise the consolidated expenditure budget, to evaluate proposals and ensure cost effectiveness. The Bursar will then recommend the Budget to the Council. Once approved by Council, Budget Holders will be informed of the agreed budgets for which they are responsible.

PROJECT PLANNING AND CAPITAL EXPENDITURE

It is important that projects and other work on the Estate is planned and budgeted for significantly in advance as such works will have an impact on residents, conference business, student teaching and other departments. In many cases co-ordination of several departments is required to ensure the project is carried out efficiently and expeditiously.

Departments involved should include Estates, Maintenance, IT, Conference and Catering, Tutorial and Finance. Projects to be discussed include mechanical and engineering such as boilers and lifts, refurbishment and decoration projects to residences, catering, conference centre, offices and meeting rooms, IT projects impacting residences and new and refurbishment building works to residences, catering etc.

The project planning and budget process will follow an annual timetable.

1. January to March:- meetings of relevant staff to discuss works planned for Financial year starting 1 July **in 18 months time**;
2. April to June: Estates Committee appraised of longer-term project planning;
3. October to December:- meetings of all relevant staff to confirm designs, costings and plans for projects in next Financial Year. Designs to public areas to be submitted to Estates Committee and budget to Finance in January;
4. April/May: Approval of budget by Council for following Financial Year.

PURCHASING PROCESS

All contracts and orders shall be within the agreed budget.

Internal Hospitality must also be ordered against an agreed budget for that event/expense, using the Homerton Internal Events Supplier on FocalPoint. Requests for internal hospitality not budgeted for must be made in the first instance to the College Accountant.

Expenditure for which no provision has been made in an approved budget shall be discussed with the College Accountant in the first instance, and only be incurred after authorisation by the Bursar, who will seek the approval of the Council as necessary.

For all expenditure included in the budget (or subsequently approved by the Bursar) the procedures are as follows:

1. *Tenders and quotations:*

Budget holders must obtain 2 or 3 (in the case of orders/items over £5,000) written quotes from suppliers approved by the Finance Office. Quotes should be uploaded into FocalPoint as documents within the Purchase Request.

2. *Ordering*

FocalPoint users must complete a purchase request in the system. For orders over £2,000 the Budget Holder must approve the request and for orders over £5,000 the College Accountant must also approve the request and will review the competitive quotes. In cases of capital equipment, the College Accountant is to approve the order. The system will generate a pdf Purchase Order to be submitted to the Supplier, either by email or print out; Finance and the budget holder will be able to access the electronic versions of the purchase order within FocalPoint. Where there is a programme of work or project, orders must not be broken down so as to bring individual orders below £5,000.

3. *Delivery and receipt*

On delivery/receipt of the items or service, the budget holder or authorised member of staff should check items against the delivery note, sign the delivery note to ensure order number is included and forward the delivery note to the FocalPoint user in the department to process the Receive Goods on the system. The delivery note can then be stored within the department. If it is a part delivery against the order, the system will allow this and retain the remaining items until the order is fulfilled.

4. *Invoices and payment*

College (HOM, Company subledger code) invoices should be emailed directly as a pdf, or scanned and emailed to purchaseledger@homerton.cam.ac.uk. The Finance office will then forward this onto the Capture system for the invoice to be read and pushed into the finance system. This will then be matched with the Purchase Order and be processed for payment so long as the goods have been received on FocalPoint. The invoice will be rejected and revert back to budget holders only if there are inaccuracies or inconsistencies between these elements within the system.

TENDER AND QUOTATIONS

5. Shop around to make sure you know what you want (quality and price) and what different suppliers can provide. Ask Finance Office if there are preferred suppliers or suppliers listed in the University Consortium handbook.
6. For orders less than £5,000 but more than £2000, obtain at least two quotes.
7. ALWAYS make sure the prices quoted include VAT – the College as a charity cannot reclaim VAT so it is a real COST to the college.
8. At least three competitive quotations shall be obtained in all cases where the value of the order is expected to exceed £5,000 incl. VAT except where the Bursar decides that a formal tendering procedure is impracticable or inappropriate.
9. In all cases where there is a potential conflict of interest (family/friend association, financial interest in a company, gifts given by a company etc) then the quotation process should be performed by the line manager or College Accountant.
10. Where the order is for an item that is to be drawn down over a period of time or for consumables ordered regularly, e.g. stationery, toilet rolls; competitive quotations need only be obtained once per year.
11. For regular small items such as maintenance and garden consumables, accounts should be set up with an approved supplier; Annually the budget holder should review (and possibly meet with) the supplier to ensure value for money is being obtained.
12. Value for money includes consideration of price including delivery charges, the quality of the service or product and suitability of the service or product for College needs. In securing best value for money bulk purchases shall be considered and discount facilities sought wherever possible.

ORDERING

13. The only exceptions to using an order form are for works and services executed in accordance with contract items of a recurring nature e.g. gas, electricity, telephone and purchases from petty cash.
14. Suppliers and contractors shall be notified that they should not accept orders unless on an official order form and that they must put the purchase order number on the invoice to enable it to be processed.
15. FocalPoint Users must select correct budget codes. There is a Duplicate button on FocalPoint to copy regular orders, which can be edited. Refer to the FocalPoint User Guide.

DELIVERY AND RECEIPT

16. The authorised member of staff will check that work done or services rendered have been satisfactorily carried out in accordance with the order; that where applicable the materials used are of the required standard and that the charges are correct;
17. In the case of contracts based on the measurement of time, materials or expenses, the time charges are in accordance with the appropriate rates, that the materials have been checked for quantity, quality and price and that the charges for the use of vehicles, plant and machinery are correct;
18. Where a member of staff certifying an account relies upon colleagues to do preliminary checking they shall ensure that those who check delivery or execution of work act independently of those who placed the order and negotiate prices and terms. Once the department is satisfied the order has been delivered correctly, the FocalPoint user then must receive the goods on the system.

INVOICES AND PAYMENT

19. If not received directly, suppliers' invoices and statements shall be passed promptly to the Finance Office via purchasledger@homerton.cam.ac.uk, where the finance team will then forward it to the finance system. Where the system rejects a mismatch of data, the Budget Holder may be required to contact the supplier to resolve before passing invoices back through the system to Finance for payment. The College Accountant shall be kept informed of any disputes.
20. The Finance Office will periodically check that where appropriate, the approved expenditure is in accordance with procedures and the system will ensure that all necessary authority has been obtained, that the account is arithmetically correct; and that the account is in order for payment.
21. The Finance Office shall normally make fortnightly payment of all suppliers' accounts, except where the supplier's account is subject to settlement discount.
22. The Finance Office will maintain a list of Approved suppliers and kept under review by the appropriate line manager and College Accountant.

Budget Holder (up to £5,000)	Line manager/approver (over £2,000)	Expenditure
Housekeeper	Assistant Bursar/ Deputy Housekeeper	Resident Consumables
		Cleaning materials
		Resident small equipment and soft furnishings
		Staff Uniforms
Head Gardener	Assistant Bursar/ Deputy Gardner	Office Furniture
		Tools and small equipment
		Plants etc
		Garden Consumables
Head Porter	Assistant Bursar/ Deputy Porter	Gardens Capital equipment
		Lodge consumables
		Small equipment
		Staff Uniforms
Head of Maintenance	Assistant Bursar/ Deputy Head of Building Services	Tools and small equipment
		Materials and consumables
		Service contracts
		Fitted fixtures and fittings
Food and Beverage Manager	Conference and Catering Manager/Catering Administrators	Building and contractor works
		Food and provisions
		Small equipment
		Kitchen Consumables
Food and Beverage Manager	Conference and Catering Manager/Catering Administrators	Kitchen cleaning materials
		Wine and beverages
		Small equipment
		Catering Equipment (capital)
Conference Manager	Conference and Catering Manager	Garden Furniture
		Catering and bar consumables
		Staff uniforms
		Marketing/advertising contracts
IT Manager	Deputy IT Manager	Marketing consumables
		Collateral
		IT equipment
		IT consumables
Tutorial Administrator	Senior Tutor	IT service contracts
		Phone and mobile phones
		Photocopiers and supplies
		Security equipment
Development Director	Deputy Development Director	Software and systems
		Staff uniforms
		Website support and development
		Tutorial Consumables
Development Director	Deputy Development Director	Printing and publishing
		Consumables

		Photography
Library	Senior Tutor	Books, publications and supplies
		Small equipment
Personnel Manager	Personnel Assistant	Training courses
Admissions Tutor	Student Liaison Officer	Admissions expenditure
College Nurse	Senior Tutor	Medical supplies
Director of Music	Senior Tutor	Instruments
		Musicians
		Other music related expenditure
Principals Office	Principal	Office expenditure
Senior Tutors Office	Senior Tutor	Academic spend
Finance Tutor	Senior Tutor	Grants, awards, prizes
Changemaker Director	Senior Tutor	Programme expenditure
Graduate Tutor	Senior Tutor	Higher Degree hospitality

The Approval of items over £5,000 will go to the College Accountant, who will notify the Bursar of any items that should be brought to their attention, or require Council approval for spend from the Contingency budget.