|  |  |
| --- | --- |
| **Millicent Football Netball Club**PURCHASING PROCEDURES | **Policy Number**: FNPOL009 |
| **Amendment Number:**FIRST ISSUE |
| **Recommended By**: Terry Mead | **Issue Date:** April 2015 |
| **Approved By: MANAGEMENT** | **Review Date:** April 2016 |
| **AIM** These procedures are designed so that our purchasing process is considered, transparent and that costs are correctly assigned. **PERSONS AFFECTED BY THIS POLICY*** 1. This policy applies to all those who purchase goods on behalf of the Club. Only the members of committees or those engaged in maintenance work may purchase goods or services on behalf of the Club.
1. **PRELIMINARY**

 All purchases, except for petty cash items, must be made against a purchase order number. Invoices that don’t have an order number will not be paid. Each sub-committee and the committee of management has its own purchase order book. 1. **AUTHORISED LIMITS**
	1. Individual members can be authorised to spend up to $200. Members may not combine limits. The holder of the purchase order book “the authoriser” may refuse to issue an order number and refer the request to the relevant sub-committee.
	2. Sub Committees may approve purchases up to $2000 *within their budget.*
	3. The Committee of Management has no limit but members must be aware of their obligations under the Associations Incorporation Act 1985.
2. **QUOTES**
	1. For minor purchases, under $200, no quote is required however members are expected to exercise good judgement.
	2. For purchases between $200 and $1000 two verbal quotes are required to be presented to the relevant sub-committee.
	3. All purchases over $1000 require at least two written quotes (fax or email is acceptable)
	4. A committee may waive the quote requirement however the reasons must be clearly minuted. Suitable reasons include;
* Sole supplier
* Sponsorship obligations
* Clear quality or other advantage
* Emergency purchases see below.
1. **EMERGENCY PURCHASES**
	1. An emergency purchase is one that must be made because it is unforseen and unable to be delayed due to safety or legislative requirements.
	2. An emergency purchase does not require a quote or purchase order number and may be authorised by the originator and either the relevant sub committee’s president or any member of the committee of management up to the sub-committee’s authorised limit. Two members must agree on the necessity and urgency. A purchase order number must be supplied as soon as practicable.
	3. Emergency purchases over the sub-committee limit require the verbal agreement a majority of the committee of management including two of either the secretary, the treasurer or the president.
2. **CONFLICTS OF INTEREST**
	1. Any member who has an interest in a supplier of goods or services for a particular purchase must declare it and exclude him/herself from the purchasing process.
3. **PURCHASING PROCEDURE**
	1. **Identify need.**
		1. The originator identifies that there is a need to purchase goods or services.
	2. **Authorising**
		1. Under $200. The originator contacts the holder of the relevant sub-committee’s purchase order book, “the authoriser”, requesting a purchase order number.
		2. The authoriser fills in the purchase order, gives the originator a purchase order number to be quoted on the supplier’s invoice and keeps the top copy for the treasurer.
		3. The authoriser may decline to issue an order number. The request may then be considered by the relevant sub-committee.
		4. For purchases up to the sub-committee limit, the originator obtains the necessary quotes and presents the request to the sub-committee.
		5. The sub-committee considers the expenditure request and minutes the authorisation or rejection.
		6. If authorised proceed as in 8.2.2
		7. For purchases requiring management approval. The originator obtains the necessary quotes and presents the request to management.
		8. The management committee considers the expenditure request and minutes the authorisation or rejection.
		9. If authorised proceed as in 8.2.2
	3. **Ordering.**
		1. The originator confirms the order with the supplier.
		2. For purchases above $200 the confirmation should be in writing on a MFNC letterhead stating;
* Order number
* Specifications
* Price including GST
* Delivery terms
* Any other special conditions or terms.
	1. **Delivery**
		1. The originator checks the goods or service against agreed terms.
		2. Checks that goods are delivered in merchantable condition.
	2. **Reconciliation and payment**
		1. The treasurer reconciles supplier's the invoice against the purchase order
		2. Arranges payment of the invoice and posts the expense to the correct account.
		3. Presents a summary of expenditure to management and reports against budget.
 |

 Reviewed April 2015 No Changes