

Section		Accounts Payable / Expenditure	
Policy	Accounts Payable – Purchase Orders		
Number	501		
Authorisation	Deputy Vice Chancellor - Corporate		
Responsible Officers	Director Finance, Planning & Reporting and CFO		
Effective Date	31 st March 2009		
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Modifications			

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1. POLICY

As referenced in the University Procurement policy (Policy 1001), it is recommended that purchases in excess of \$5,000 (ex GST) are to be undertaken with the use of a University purchase order. For purchases up to the value of \$5,000 (ex GST), the University purchasing card is the preferred payment method except for asset related purchases which are not one of minor equipment (<\$1,000), furniture and fittings, library books / subscriptions (library use only) and software (ITS use only). However, should a supplier require a University purchase order for purchases below \$5,000 (ex GST), a purchase order is allowed.

Purchase orders have the distinct benefit of having authority from a financial delegate before the purchase is made. However, for any procurement activities, where due to operational or contractual reasons, goods, services or consultancy will be engaged by University Purchasers from a supplier prior to the issuing of a purchase order, a retrospective purchase order must be raised and approved in the University's financial system.

The following benefits relating to the payment of accounts by purchase order should be noted:

- Authority to spend is required before the expenditure has been incurred providing more budgetary control (with the exception mentioned above);
- Purchase orders create a commitment within the system that allows clear information in relation to availability of funds compared with budgets;
- The University will have a better understanding of its commitments for improved cashflow management; and
- Greater efficiency and internal control of payment processing.

2. PROCEDURE

In procuring requirements through the University's financial system via purchase orders, University Purchasers are required to meet the following requirements:

- Establishment of a new supplier / payee (if required) – refer to Policy 545;
- Raising a Finance One system requisition:
 - attached quotes, planned procurement report (+ conflict of interest form (if required)) or invoices;
- Gain approval of requisition to purchase order status from financial delegate via the use of workflow in the finance system
- Issuing of purchase order to supplier (via email or printed version);
- Taking delivery of purchase order;
 - receive / return / backorder;
- Issuing of backorder or return note to supplier;
- Forwarding applicable invoices to the Office of Finance, Planning & Reporting (OFPR)
- Forwarding applicable credit notes to OFPR

Purchase order training on the Finance One system is managed by the Financial Systems Trainer in OFPR.

3. CONTACTS

Team Leader Transaction Processing	Ext 2174
Financial Systems Trainer	Ext 6165