

 <p>Belmont High School <i>'Strive for the Highest'</i> www.bhs.vic.edu.au</p>	<h1>Purchasing Policy</h1>	
Policy Status: Final	Document Owner: Business Manager	Authorised by: BHS School Council
Date of issue: 24/11/2020	Review Date: Nov 2021	Version 5

POLICY PURPOSE

To ensure that the Purchasing of all goods and services is conducted in an honest, competitive, fair and transparent manner that delivers the best value for money outcome whilst at the same time protecting the reputation of the School, taking into account the required specification, quality, service, delivery, reliability, environmental and social issues and the total cost of ownership.

SCOPE

Purchases from all suppliers must be covered by an official Belmont High School online purchase order unless direct invoice procedures are in place (for canteen supplies, utilities and certain maintenance contracts, food technology food suppliers), or where cash is used in accordance with the Petty Cash Policy.

POLICY STATEMENT

A school council can purchase goods, equipment and materials for carrying out its functions, subject to *Part 2.3 of the Education and Training Reform Act 2006*

The school council must ensure that the school complies with the Department's Finance Manual for Victorian Government Schools including:

- adhering to purchasing thresholds requirements
- obtaining best value for money
- issuing purchase orders for all goods and services purchased
- not allowing use of a school purchase order to buy items for personal use
- confining the authority to sign purchase orders to the principal or a designated officer
- recording the persons authorised to sign purchase orders in the school council minutes
- leasing equipment under an operating lease where, at the end of the lease the equipment is returned to the supplier at no further cost to the school
- not leasing equipment under a finance lease where, at the end of the lease ownership of the equipment would pass to the school on payment of a residual value.

Purchase Orders will be closed on the end of Term 3 and the following school years purchase orders will open on the 2nd last week of December of each year.

PURCHASING PROCEDURE

It is mandatory that a purchase order be raised for all school purchases, including purchases from the internet prior to the purchase. This is required whether the expense is a staff reimbursement, school purchasing card purchase or direct debit transaction.

No officer or employee shall use a school purchase order to obtain goods and services for private use.

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Purchasing Thresholds

Direct Purchases from Private Suppliers

Department policy is that schools only deal with suppliers that quote an ABN.

A school council may purchase directly from any source of supply when it is to the best advantage of the school. The exception is where mandated Whole of Government Contracts apply.

Local communities make substantial financial contributions to schools and there is usually a community expectation that a portion of school funds be spent in the local community. In all such cases the school is required to ensure such purchases represent good value for money in an overall sense, e.g. taking into account equipment compatibility, availability of materials and servicing arrangements where applicable. However, the normal purchasing procedures outlined in this section are still to be observed.

Purchases from private suppliers may also take place via the internet. Where it is a requirement to have an account, such as for purchasing via eBay, it must be held in the name of the school and not an individual. All normal purchasing procedures apply to internet purchases.

Quotation thresholds

Procurement Thresholds	Minimum Market Approach	Minimum Sourcing Documentation Requirements
Less than or equal to \$2,500	A minimum of one formal quote (maybe verbal or written)	As per Purchasing processes in the Finance Manual for Victorian Government Schools
Greater than \$2,500 and less than \$25,000	A minimum of one written quote	R1a Short Form Sourcing template Abridged*
Greater than \$25,000 and equal to \$150,000	A minimum of three formal written quotes and School Council Approval	R1b Short Form Sourcing template
Greater than \$150,000	Tender process	R2 Sourcing Planning Document R3 Tender or Quote Template R4 Submissions record form R5 Evaluation Plan R6 Procurement Evaluation Report

Amounts are GST inclusive and prior to any adjustments/discounts

*This template is optional for a single one off purchase. However, it should be used where multiple purchases are expected to be made from the same supplier or where a supply arrangement with a contract document is entered into.

Procedures for Purchases of Items where Quotations Obtained

Where the purchase of an item requires that quotations are obtained, a suitable record of the following details is to be filed with the **payment voucher** and supporting documentation:

- A detailed description of the goods or services for which quotations were invited.
- Name(s) of organisation(s) invited to submit quotations.

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- Quotation, costs and delivery details, together with the name of the person giving the quote and the date given for supply.
- Where fewer than the required number of quotations were obtained, the reasons why (e.g. sole supplier).
- Where the quotation accepted is other than the lowest received, the reasons for accepting that quotation must be given, for example, “cannot deliver goods by required date”, “preference for local trader”.
- Wherever possible, quotations should be obtained for items with identical specifications to allow direct comparisons of quotations.

Purchases from a Sole Supplier

Proprietary lines and items obtainable from one firm only may be purchased without observing the full procedures relating to items costing more than \$2,500 provided the school council considers the item represents value for money. However, public tenders are to be invited for all items with a value in excess of \$150,000 and the standard procedures are to be observed.

Purchase Order Process

It is essential that approval is obtained prior to spending school funds. Approval is generally in the form of an Official Purchase Order.

No purchases shall be made without an official order form except for petty cash items approved by the principal or financial delegated officer, certain canteen supplies and utilities.

School purchase order forms are only to be used for purchases that are paid from school funds, not private purchases. No duplicate of an order shall be issued. Any order issued in replacement of an order not received by a supplier shall state that it is a replacement order.

Purchase Order Forms

Official school order forms should incorporate the school’s name, address, telephone number and ABN, and any other desired information (school logo, delivery address etc.).

The online purchase orders will be as follows:

- the approved purchase order can be sent to the supplier;
- the Account Manager copy (internal copy) will accompany the invoice and payment voucher
- one copy is recorded in sequential order number on the online purchase order system

The following features must be included:

- automatic numbering in continuous sequence.
- provision for expenditure and program/sub program charging code as determined within CASES21;
- stipulate that they are for official use only (displaying BHS Logo, ABN and billing address details);
- stipulate that deliveries are to be made during school hours only;
- provide for GST requirements;
- provide for signature of authorising financial delegated officer/s.

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An electronic ordering system must provide a secure authorisation process for delegated financial officer approving online orders.

Purchase Order Approval

An important part of the process of ordering goods and services from any source, including the internet, is that the incurring of the expenditure is strictly controlled and subject to approval by the school council or its delegated financial officer (Principal & Business Manager). The names of persons authorised to sign purchase orders are to be recorded in the council’s minutes.

The designated financial officer examines the purchase order documents and, by electronically signing/approving the purchase order, indicates that the purchase is being made:

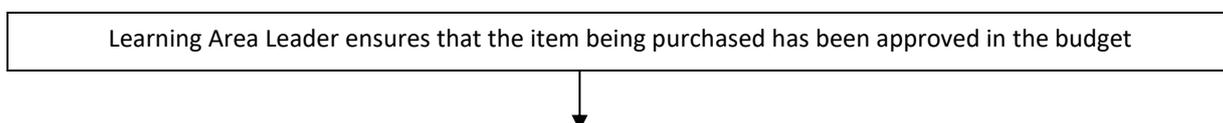
- with the approval of the school council;
- in accordance with the purchasing policies;
- for the approved purposes and within the monetary limits of any government grant to which the payment is to be charged
- within any conditions attached to donated or locally raised funds against which the payment is to be charged; and
- subject to funds being available to meet the payment.

It is necessary to ensure that prior approval has been obtained prior to embarking on any purchasing activities.

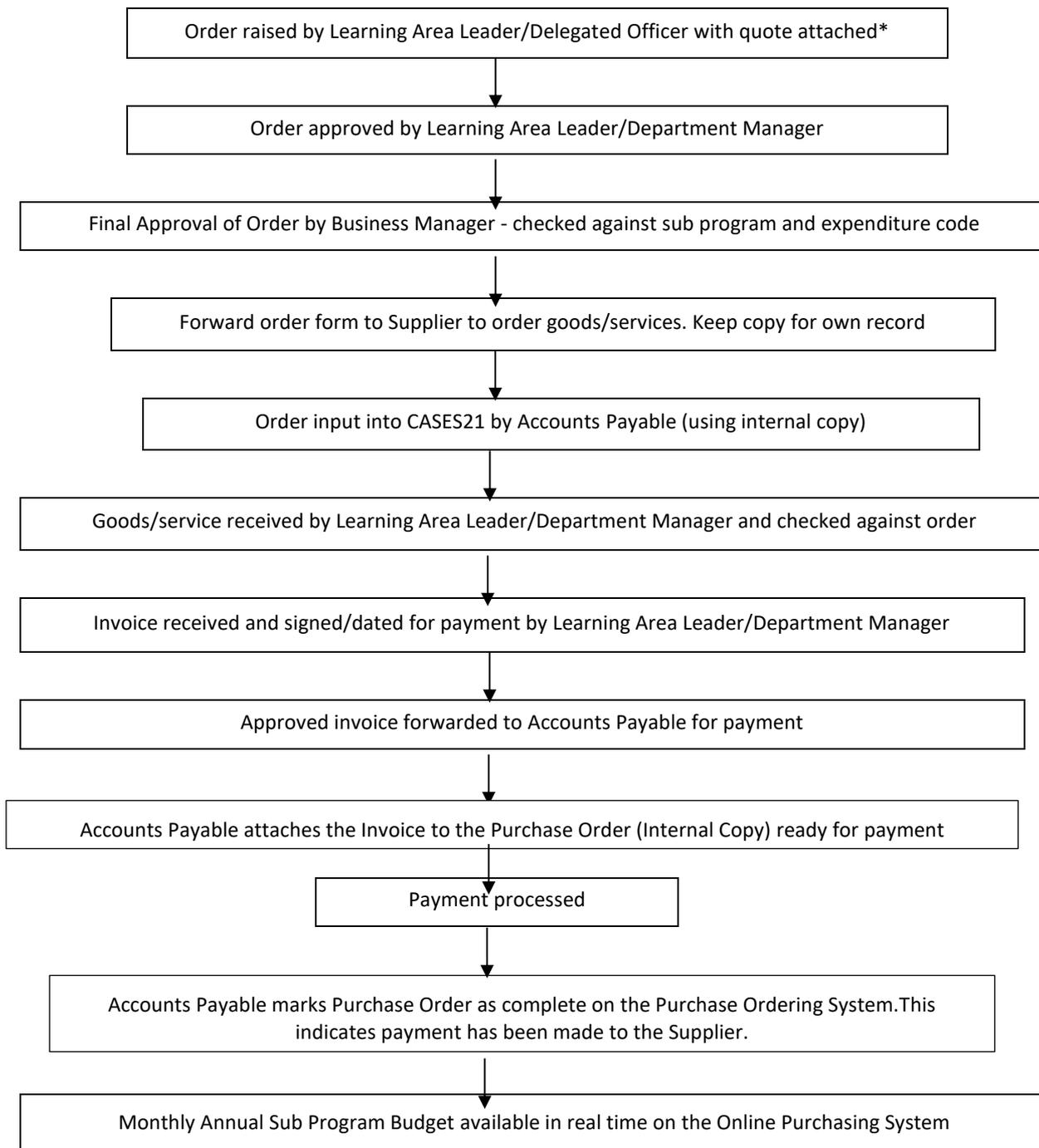
Payment of Accounts

- Order number should be quoted on the Invoice
- Payment made – invoice is verified and goods/services has been received
- Invoice should be reconciled back to Purchase Order
- Quantity/Price on Invoice > PO – Approval sought from designated officer (Principal or Business Manager) to accept expenditure for the oversupply or price variation
- Authorisation is required by the financial delegate if the price on the invoice is up to 15% more than PO
- Price variation > 15%, payment approval sought by school council
- Where the quantity and price on the invoice is accepted, a notation should be made on the PO that ‘oversupply accepted’ or ‘price increase accepted’.
- Invoice should be endorsed and dated by signature of receiving officer of goods or services
- Part Orders received – notation required on duplicate PO.
- Final Supply – PO to be endorsed as “Final Supply”

PURCHASING PROCEDURES FLOWCHART



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RELATED DOCUMENTS

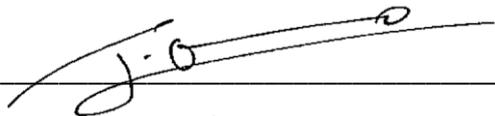
- Procurement Procedures Flowchart
- Schools Procurement Procedure Document
- Internet Purchases (ebay etc)

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Staff Expense Reimbursement Form
Expense Reimbursement Form (non staff)

AUTHORISATION

This policy and procedure was ratified by School Council on: 24/11/2020

Signed:  (School Council President)

Signed:  (School Council Executive Officer)