



# Procurement Procedure 2023-24

## PROCEDURES:

### Purpose

These procedures are designed to complement the EKC Group's Procurement Policy. The policy and procedures are binding on all staff who engage in purchasing for the Group.

### 1. Identifying a need for goods/services

Once a Budget Holder identifies the need for services/goods, he/she will need to ensure that a purchase order is raised on Finance System and sent out to the relevant supplier. Staff are expected to source required services/ goods from existing, local suppliers in the first instance. Where this is not possible, other non-local existing suppliers should be used but avoiding the use of Amazon/ internet procurement unless absolutely necessary. Please use the Supplier Information Tool located [here](#) to help find the supplier you need. Notable exceptions are gas, electric, water, agency staff, examination board costs, DBS checks and food supplies. The raising/sending out of the purchase order will be carried out by nominated members of staff in each area. Failure to raise a purchase order is a direct violation of the Group's Financial Regulations and could result in disciplinary action

### 2. Supplier/Contractor and IR35

Having identified the need for goods or a service, budget holders/contract managers should, where possible, use suppliers from the existing supplier list on the Finance system. Where this is not possible, and where the budget holder/contract manager is engaging with a limited company, partnership or personal service company\*\* they must, **before** any agreement or contract is signed, ask Finance to carry out an IR35 status check. **It is the responsibility of the budget holder/contract manager to ensure that this happens.** A checklist will be provided of the information required from you in order for Finance to be able to carry out the checks accurately. The result of this will be fed back to the budget holder and the limited company, partnership or personal service company being engaged with via a Status Determination Statement (SDS). The limited company, partnership or personal service company have the right to appeal any decision, should they wish. The IR35 check will determine whether payment to the limited company, partnership or personal service company can be made direct via invoice or whether it is deemed as 'off-payroll working'\*\*\* and has to be paid via payroll with tax and NI deductions being made. This outcome could well influence the decision of the limited company, partnership or personal service company, as to whether they want to take on the contract. It's important to highlight that if this process is not followed, the Group will be held liable for any tax and NI deductions and potentially any fines from the HMRC.

### 3. Raising a Purchase Order

When a member of staff is tasked with raising a purchase order, he/she will need to ensure that the relevant department is selected in order that the correct nominal code, cost centre and project code (if applicable) are used. If you require assistance with codes, please liaise with the Finance Team.

The correct supplier will need to be selected from the available list of suppliers. If your chosen supplier does not appear on the list, then you will need to request the supplier to be set up via Ebis and go through the due diligence procedure as outlined in the Procurement & Due Diligence policy, which can take up to one week. Please ensure that you check the Finance System first to see if



there are similar suppliers already in existence (using the supplier information tool). You should ensure that the purchase order is completed accurately and includes delivery and VAT.

Once the purchase order has been fully authorised, it will automatically be e-mailed to the supplier and a PDF copy sent to the originator. Only at this point should the purchase order number be quoted, as prior to this it is not a valid document. The authorised purchase order then becomes a *commitment* against that budget.

Step by step video instructions can be found on the Finance Intranet site.

#### **4. Goods Receipting**

Upon receiving the goods, they must be receipted on the Finance System, failure to do this will hold up payment to the supplier.

#### **5. Invoice Authorisation**

Prior to the invoice being received the goods will have been 'receipted' as outlined in 4 above.. Invoices cannot be posted or paid until the total order has been received and confirmed as receipted. Suppliers should also quote the purchase order number on their invoice and submit it to the Finance Team either by email ([accounts.payable@eastkent.ac.uk](mailto:accounts.payable@eastkent.ac.uk)) or post.

Once the invoice has been received, the Accounts Payable Team will match it to the relevant purchase order, scan the invoice onto the system and, provided the order and invoice agree, then no further action is required, and the invoice will be posted and is ready for payment. If the difference between the invoiced amount and the order value is more than 10% or £100 (whichever is the lower) the invoice will be forwarded to the budget holder and (if necessary) a member of the Group Leadership Team for authorisation.

E-mail notification will be received for this which will include a link directly to the portal where the invoice document and/or the scanned invoice can be viewed.

The Authoriser can then either authorise/reject or leave the invoice pending.

Queries on invoices and orders should be dealt with by the originator in the first instance.

#### **6. Corporate Credit Cards**

**Please note this should only be used for low value expenditure items, such as travel, and do not meet the criteria of the buy local strategy. Where the supplier already exists with an account on Ebis, the process must be followed as per point number 3 on the previous page.**

All staff issued with a corporate credit card will need to sign and adhere to the EKC Group Credit Card User Agreement (Appendix A).

The agreement details the credit rates and procedures that each cardholder must follow when using this procurement method.

#### **7. Internet Purchasing**

**Please note this should only be used for orders that can only be placed via the internet and do not meet the criteria of the buy local strategy. Where the supplier already exists with an account on Ebis, the process must be followed as per point number 3 on the previous page.**

For purchases to be made via the internet the following procedure should be followed:-



- A purchase order should be raised on Ebis under supplier code B008. Please ensure the website details/links are included in the free text box and any other information, such as pricing, quantities, sizes etc is accurate, so that the Finance Team will be able to place the order on-line. Failure to supply adequate details will result in the placing of the order being delayed.
- Once approved an email will be automatically sent to the Finance Team
- Finance Team will then place the order

## 8. Authority to purchase

### Requisition/Order Value

### Authorisation Level

£0 - £2,500	Budget Holders
£0 - £20,000	Executive Directors, Managing Directors & College Principals
£0 - £50,000	Chiefs
£0 - £75,000	Deputy Chief Executive Officer
£0 - £150,000	Chief Executive Officer
£150,000 - £500,000	Business Committee
Over £150,000	Governing Body

## 9. Obtaining quotations & Tenders

### **Under £2,500**

Budget holder has discretion to decide whether to obtain quotes, but value for money must be obtained

### **Between £2,500 and £150,000**

Budget holders are expected to obtain three written quotes.

### **In Excess of £150,000;**

For all goods/services purchased with a value greater than £150,000 or a series of contracts which in total exceed £150,000, three competitive tenders must be sought. In the event that there are less than three tenders received, The Group will proceed if sufficient assurance is documented that every effort was made to secure three competitive tenders. The award of contracts over £150,000 shall be reported to the Governing Body.

## 10. Compliance with Procurement Rules & Regulations

The Group observes the current directives) regarding procurement regulations and understands that failure to comply with this legislation carries penalties which the Group will be held accountable.

The threshold rate is reviewed every two years

, Procurements meeting the thresholds have to be advertised on 'Find A Tender', which replaces the requirement to advertise in the Supplement to the Official Journal of the European Union (OJEU). When sourcing goods/services above these thresholds a consortium should be used to eliminate the necessity for the college to have to go through the FTS process.

- The Public Contracts Regulations 2015. Social & Other Services £663,540 (incl VAT)
- The Public Contracts Regulations 2015. Supply, services & design contracts £213,477 (incl VAT)
- The Public Contracts Regulations 2015. Threshold for Works Contracts £5,336,937 (incl VAT)



## **11. Contracts**

All contracts should be created and managed in accordance with the Contracts and Agreements Procedure.

## **12. Payment of Invoices**

Invoice payment runs are made on a weekly basis. Any invoices that are fully authorised (as per the levels in 8 above) and are due for payment according to the suppliers' terms will be selected for payment. The payment run is generated by the Purchase Ledger & Procurement Team and sent for review to the Group Head of Finance. Once the Group Head of Finance has reviewed and agreed the selected payments, the BACS file is then processed.

\*\* A Personal Service Company sells the work of an individual or small group of individuals and is owned and operated by that individual or small group of individuals as a limited company.

\*\*\* Off-Payroll working means getting paid for your work through other ways than your salary. For example, a self-employed freelancer would get paid via invoice, but being 'off-payroll' does not necessarily mean that you are not an 'employee'



## Appendix A

# Credit Card User Agreement 2023/24

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### Aim of the Credit Card Policy

EKC Groups credit card procedures aim to ensure:

- Cardholders accurately account for their expenditure on credit cards.
- Control is maintained over the nature and level of expenditure.
- Adherence to EKC Groups purchasing policy.
- Compliance with EKC Group's travel and subsistence guidelines.
- Taxable benefits are recorded, as required by HM Revenue & Customs.
- Adequate controls are in place to avoid breach of the conditions of usage for credit cards.
- Security measures are in place to minimise the potential for fraud/misuse of credit cards.
- Compliance with EKC Groups Financial Regulations.

The current credit card service provider in use by EKC Group is Santander AirPlus.

### Using the Credit Card

Credit cards must be used exclusively for expenditure directly relating to EKC Group business. This may include travel expenses.

Credit cards **must not be used** for:

- Private expenditure under any circumstances
- Sterling cash withdrawals
- Internal business transactions within EKC Group i.e. between departments. In these circumstances, Internal transfer procedures must be used.
- Recurring monthly subscriptions

Credit cards are not to be used to bypass the current procurement process as established in the current Procurement & Due Diligence Policy.

Misuse of the card may result in the credit card being withdrawn.

### Cardholder Limits

Credit limits will be set based on the structure detailed below:

- Budget holder - £1,000
- Non-budget holder - £500



Finance will have oversight of all credit limits and will be able to increase as necessary upon specific requests to the Finance Team via a TopDesk ticket.

### Cardholder Responsibilities

1. Statements are issued around the 1st of the month.
2. Card Holders will need to log into their Air Plus Portal (which they will have access to) and download their statement.
3. The statement will need to be coded, signed and then attach 1x PDF of all of the receipts in order of the statement and email it over to [Airplus@ekcgroup.ac.uk](mailto:Airplus@ekcgroup.ac.uk) so that Finance can reconcile them all.
4. All documents need to be with Finance by the **15th of the month** to be processed in time for month end.
5. The email needs to have Air Plus as the Subject so they can be easily identified.

If the required information is not provided to Finance by the date indicated above, the issued credit card will be temporarily blocked from further use until such time that the information is received by Finance.

If Finance has to temporarily block a card three times in one academic year, Finance will remove the credit card from the cardholder and your Line Manager will be informed.

### Charges and Fees

The annual charge for the AirPlus credit card is £35 per annum.

If the AirPlus credit card is not used in a 12-month period, a further charge of £35 will be incurred.

All charges and fees will be posted to the card holders respective cost centre.

### Agreement

Card Holder Name

Card Holder Signature

I confirm that I have read and agree to the contents of this policy.



Any queries regarding credit cards and this policy will need to be submitted to Finance via a TopDesk ticket.