Purpose

The primary object of this procedure is to support University staff in the provision of goods and services that are fit for purpose, value for money and are available when required.

This document sets out the procedures to be followed by the University (including controlled entities) staff, students or contractors either purchased or leased from suppliers external to the University involved in purchasing goods and services, for and on behalf of the University.

The procedure incorporates the placement of orders, the receipt of goods or services and approval for payment.

Provide instructions for the use of University Purchasing Cards.

To ensure that tenders are evaluated fairly and equitable in accordance with the evaluation criteria specified in the tender documentation.

Direction

The University Procurement Team are available to advise and direct University Faculties / Schools / Departments / Portfolios on best practice routes for the procurement of goods and services in line with their Financial Delegation,
the University Purchasing Thresholds and Policies and Procedures, in order to achieve value for money and sustainable quality of supply.

Additional guidance is available from the Victorian Government Purchasing Board Website.

Ethics

The University is committed to achieving best practice procurement that is visible, accountable and achieves quality and sustainable supplier relationships. No preference in the placement of orders is to be given to any member of council, member of staff, donor of any gift (money or in kind) or any person associated with the University in any capacity whatsoever. The University Policy on Probity Auditing is to be referred to when procuring goods or services on major projects that are of high value, high profile, highly complex, contentious or politically sensitive.

Scope

This document sets out the procedures to be followed by all University staff involved in purchasing goods and services. The procedure incorporates the placement of orders, the receipt of goods or services and approval for payment.

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>The process of issuing payments, either by cheque or electronic funds transfer (EFT) to Vendors of the University.</td>
</tr>
<tr>
<td>Account /Department Codes</td>
<td>General ledger codes used to identify accounts.</td>
</tr>
<tr>
<td>Accountable Officer</td>
<td>Staff member responsible for the operation of the University’s online card facility.</td>
</tr>
<tr>
<td>Approved Vendor</td>
<td>Vendors contracted to the University after going through a formal selection process such as Request for Tender process (RFT) or Request for Quotation process (RFQ).</td>
</tr>
<tr>
<td>Approved Vendors Contract</td>
<td>Contractual arrangements made between the University and Vendor(s) and signed by The Vice Chancellor or Deputy following a formal RFT bidding process.</td>
</tr>
<tr>
<td>Acquittal</td>
<td>Process of recording the relevant information against corporate card spend for taxation, compliance and cost centre allocation purpose.</td>
</tr>
<tr>
<td>Audit and Risk Committee</td>
<td>Committee of University Council.</td>
</tr>
<tr>
<td>Australian Accounting Standards</td>
<td>Relates to the Accounting Standards issued by the joint committee of the Institute of Chartered Accountants and the Australian Society of Certified Practising Accountants.</td>
</tr>
<tr>
<td>Card Administrator</td>
<td>Finance Officer Administration Officer responsible for day to day Purchasing Card administration.</td>
</tr>
<tr>
<td>Cardholder</td>
<td>Authorised holder of a University provided Purchasing Card.</td>
</tr>
<tr>
<td>Card Provider</td>
<td>Financial Institution contracted to provide the University Purchasing Card facility.</td>
</tr>
<tr>
<td>Cash Payments</td>
<td>Payments made to volunteers, research participants, students or focus group members either in cash or via Finance Accounts Payable for services rendered. These payments will not be considered suitable for Staff Reimbursement, nor to have been acquitted and must not be made as they breach the Universities obligations under tax, superannuation, workers compensation law and industrial workplace relations instruments.</td>
</tr>
<tr>
<td>Certification</td>
<td>The value of un-used Vouchers held for use in a program must be recorded and certified by the University officer responsible for the program on a quarterly basis. Certification dates are the last business day of March, June, September and December.</td>
</tr>
</tbody>
</table>
Accounts Payable

The process of issuing payments, either by cheque or electronic funds transfer (EFT) to Vendors of the University.

Certifying Officers

Chancellor, Deputy Chancellor, Vice Chancellor and President, Deputy Vice Chancellors, Chief Financial Officer, Directors, and Managers with financial delegations and responsibility for reviewing relevant 'Cardholders' transactions and approving payment. The Certifying Officer must be the cardholder's authorising supervisor or more senior line manager.

Conflict of Interest

Is assessed in terms of the likelihood that members of the university community possessing a particular interest could be improperly influenced, or might appear to be improperly influenced, in the performance of their duties.

Council Member

Member of University Council other than a staff member of Council.

Delegated Authorities

Financial delegation in accordance with the Delegations - Contract, Financial, Staffing and Tenders Policy.

Disbursements

Payments made to third parties including, but not limited to, grants, capital expenditure, salaries and wages, and other recurrent expenditure.

EDMS

Electronic Data Management System.

FBT

Fringe Benefits Tax.

Finance Authorised Officer

Staff authorised to access the Finance system and nominated to have electronic purchasing access, and may enter Purchase Requisitions directly into the Finance system.

Financial Delegate

Staff member with an approved Financial Delegation in accordance with the Delegations - Contract, Financial, Staffing and Tenders Policy.

Financial Delegation

Relevant Heads of Schools and Directors of Sections authorised under the Financial Delegation Policy, who are responsible for committing funds within their cost centre budgets. They may delegate authority to staff - Refer to Delegations - Contract, Financial, Staffing and Tender Policy

Financial Records

University Financial Management System General Ledger incorporating subsidiary ledgers as maintained by the Financial Operations Unit.

Finance System

The finance software application used throughout the University.

Gratuity

A token offering provided in return for a voluntarily service as a sign of appreciation for providing the service. There must not be any expectation of payment of value by the recipient for the service they provide, at the time of providing the service.

KPI's

Key performance indicators

Minor Expenditure

Expenditure of an official nature, other than prohibited expenditure, which is less than $75 (excl GST).

Normal Salary Bank Account

Default Bank Account for payment of salaries and wages via the University Payroll System. This account can only be varied by submitting the appropriate Banking Details Form to Payroll.

Official Purposes

Purposes in direct connection with or as a direct consequence of the functions and duties undertaken by a Council Member or staff member of the University.

Payment Run

Accounts Payable payment process.

Portable and Attractive Items

Items that do not meet the asset capitalisation threshold and, consequently are expensed in the year of acquisition. The following statements also help determine what a portable and attractive item is:

- a non-consumable with a value between $300 and less than $4,999 (excl GST)
- an item with an attractive nature, such as mobile phones, laptops, video camera, projectors, printers and software
- prone to misappropriation for private use or theft

Probity

Evidence of ethical behaviour in a particular process.
<table>
<thead>
<tr>
<th>Term</th>
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<td>Accounts Payable</td>
<td>The process of issuing payments, either by cheque or electronic funds transfer (EFT) to Vendors of the University.</td>
</tr>
<tr>
<td>Probity Auditor</td>
<td>One engaged to establish a program of audit testing based on identified criteria.</td>
</tr>
<tr>
<td>Procurement</td>
<td>Process of acquiring goods on behalf of the University and the department established by the University and promote and oversee best practice processes for goods and services purchased by the University and ensure value for money.</td>
</tr>
<tr>
<td>Program Administrator</td>
<td>Responsible for providing procedural, administrative and systems support for all staff.</td>
</tr>
<tr>
<td>Purchase Order</td>
<td>Is the official instruction given to a Vendor for goods or services required.</td>
</tr>
<tr>
<td>Purchasing Card</td>
<td>An official University corporate credit card available to University Staff members with a Financial Delegation.</td>
</tr>
<tr>
<td>Purchasing Threshold</td>
<td>Purchasing Thresholds is a structure set for all requisitions of goods and services.</td>
</tr>
<tr>
<td>Purchasing</td>
<td>The process of placing orders and buying goods or services for the University.</td>
</tr>
<tr>
<td>Receipting</td>
<td>The method of official acceptance that goods or services have been delivered as ordered.</td>
</tr>
<tr>
<td>Request for Quotation (RFQ)</td>
<td>Request for Quotation process for obtaining a minimum of three quotes for the provision of goods or services, with a value between $15,000 and $100,000 over a three year period.</td>
</tr>
<tr>
<td>Request for Tender (RFT)</td>
<td>Request for Tender process for the provision of obtaining goods or service with a value over $1,000,000 over a three year period.</td>
</tr>
<tr>
<td>University</td>
<td>Federation University Australia</td>
</tr>
<tr>
<td>University Funds</td>
<td>Any funds held in any University account, regardless of the funding source. All University funds are considered to be Public Monies and must be treated in accordance with the Financial Management Act 1994.</td>
</tr>
<tr>
<td>VC</td>
<td>Vice-Chancellor and President</td>
</tr>
<tr>
<td>Vendor Agreement</td>
<td>Agreement made between a University Delegated Officer and Vendor(s) of Goods/Services for a formal RFQ bidding process</td>
</tr>
<tr>
<td>Voucher</td>
<td>A Voucher is a Gift voucher, food voucher, book voucher, gift card, movie ticket/money, entry or any similar voucher, ticket or right.</td>
</tr>
</tbody>
</table>

### Actions

**Quantifying the Purchasing Requirement for Goods / Services on Behalf of the University**

**Clarify:**

1. The need for purchase.
2. Approval and availability of funds.
3. That the procurer has delegated financial authority Refer to Delegations – Contract, Financial, Staffing and Tender Policy and the procurement in line with Purchasing Thresholds.
4. The environmental impact of chosen goods or services – seek advice from the University Sustainability Officer: Dale Boucher, PH: 5327 8414, E: d.boucher@federation.edu.au
Risk Health and Safety and Purchasing

Check if any Risk Health and Safety Issues need to be considered and addressed in the respect of procured goods or service required.

Selection of Purchase Option

Determine the purchase option that will best suit the required acquisition in respect of process and value for money.

Refer to Purchasing Thresholds listed under Forms.

Acceptable Purchasing Methods

1. **Purchasing Card** - ideally to be used for purchases of one off low value items, travel expenses, accommodation, conferences etc.
2. **Purchase Order** - Refer to Purchase Order Process.
3. **Travel Claims** - These methods are available under the University Travel Policy and Procedures

Claims by staff for reimbursement of purchases made outside of this procedure will not be paid by the University. Cash claims of any type will not be entertained.

Vendor Selection

1. **If an Approved Vendor exists for a required product or service, they should be considered as the first option.**
2. Approved Vendors are selected following a formal Competitive Tendering/Quotation and Contracting process (Refer Approved Vendors - E Tendering for Obtaining Quotations and Conducting Tenders) or by accessing contracts available to the University from the Victorian Government or other consortiums and buying groups of which the University is a member.
3. **New Vendors** are proposed by the person initiating a requisition by forwarding the Vendor Application Form to the new Vendor for completion.

Conflict of Interest

Staff must comply with the Conflict of Interest Policy and Conflict of Interest Procedure to ensure that staff consider and declare, if required, a potential or actual conflict of interest prior to entering into transactions with new or existing clients or suppliers.

Requisition Information

**Essential supplier details:**

- Contact / Delivery details
- Firm Cost Price
- Quantity
- Funding Source
- Service details or product specifications / technical requirements
- GST included cost where applicable (refer GST Guidelines)
Purchase Requisition Authorisation

Relevant staff members delegated to committing funds within their school / portfolio budgets authorise purchase requisitions. Refer to the Delegations - Contract, Financial, Staffing and Tender Policy.

The person authorising the requisition must satisfy themselves that the requirements of the Purchasing Thresholds have been met before authorising a requisition. Refer to Purchasing Thresholds listed under Forms.

Requisitions Entered by Faculty/School/Department/Portfolio

An Authorised Financial System User with purchasing access enters details of an authorised Purchase Requisition into the Finance System.

NB: If a University delegated purchaser instructs vendors to provide goods or services by methods other than Purchasing Card or Requisition, this may result in payment delays that could jeopardise future supplies of goods or services to the University.

Considerations

Consideration should be given to:

• Availability and whole life costs in respect of consumables, spare parts and service. Could there be another department within the University with a requirement for the same goods / service and if so could the combined purchase volumes realise savings?
• Environmental impact of long distance haulage from supply source - is there an alternative source?
• Replacement of existing goods - disposal (will supplier of new goods dispose of old equipment?).
• New service provider - check existing service, has the maintenance / contract provider been given enough notice to cease service and avoid excess charges?
• Responsible disposal of dangerous materials and possible contamination – seek advice from the University’s Sustainability Officer; Dale Boucher, PH: 5327 8414, E: d.boucher@federation.edu.au and ensure paper audit trail
• Where goods are listed ensure removal from Asset Register. Contact: Associate Director Financial Accounting & Systems, Peter Hicks, PH: 5327 9388 or E: p.hicks@ballarat.edu.au

Purchase Orders

Once the relevant authorised person has approved all details of expenditure, the Purchase Requisition is converted to a Purchase Order.

The Purchase Order is forwarded to the vendor as confirmation of the order.

Orders should state that goods be delivered direct to the order requester’s receipt point.

The Purchase Order should state that the Vendor Invoice be delivered directly to the Accounts Payable section of Finance. Failure to comply could lead to delay in payment in line with the University payment terms.

Receipting

Goods Received on Campus

Should be inspected and signed for upon delivery
Confirmation of Receipt of Goods or Services

The person initiating the requisition or their nominated receiving officer has the responsibility to confirm that goods/services received to conform specified order requirements and are as details on the receiving note.

Completed Orders

Confirmation of the receipt of goods or services should be registered on the Finance ordering system to enable the payment of the vendor account.

Incomplete Orders

When orders are only partially received just the component value of the received goods should be entered onto the Finance ordering system.

Authorisation for Payment

Invoices are authorised for payment by the requester upon completion of the Receipting process on the myFinance system. Failure to receipt will disallow payment.

Attractive Items/Asset Register

The Financial Management Act and the University Asset, Attractive Items and Inventory Management Policy and Procedure requires that information for single items of equipment costing up to $4,999 (deemed a portable and attractive Item) be listed on an Attractive Item Register. This register is kept within the Portfolio / School or Section, maintained by a responsible officer and made available for audit when requested. Details of items with a value over $5,000 in value must be advised to the Associate Director Financial Accounting & Systems. Asset, Attractive Items and Inventory must be made available for audit upon request. Refer Asset, Attractive Items and Inventory Management Policy and Procedure.

Responsibilities

The Vice-Chancellor has the authority to decide whether the complexity and sensitivity of projects less than $10 million may warrant the appointment of a probity auditor. The Vice-Chancellor (or nominee) may select the probity auditor from an agreed list of probity auditors approved by the Audit and Risk Committee of Council.

The Management Accountant, Strategic and Corporate is responsible for the maintenance of this policy.

University Purchasing Cardholders will be required to be familiar with the requirements of the Procurement of Goods and Services Policy, the Purchasing Procedure and also the "Conditions of Use" by the University’s appointed Purchasing Card provider.

Associated Documents

- Purchasing Card Procedure.
- Approved Vendors – E-Tendering for Obtaining Quotations and Conducting Tenders Guidelines.
- Request for Quotation (RFQ) and Request for Tender (RFT) Guidelines.
- Completion of Vendor Application Guidelines.
- Tender Evaluation Guidelines.
- Conflict of Interest Policy

Warning - Uncontrolled when printed! The current version of this document is kept on the FedUni website.
Forms/Record Keeping

<table>
<thead>
<tr>
<th>Title</th>
<th>Location</th>
<th>Responsible Officer</th>
<th>Minimum Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial System Authorised User - Applications</td>
<td>Financial Operations</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Supplier Applications</td>
<td>Accounts Payable - Mt. Helen</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Requisition Form</td>
<td>School or Section entering the Purchase Requisition/Order</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Purchase Order</td>
<td>Accounts Payable - Mt. Helen</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Receiving authority</td>
<td>Receiving Area</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Financial Delegation Authorised by the Vice-Chancellor</td>
<td>Finance Portfolio</td>
<td>Vice-President, Finance</td>
<td>Permanent</td>
</tr>
<tr>
<td>Partial Delivery Notification</td>
<td>Accounts Payable - Mt. Helen</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Staff Requisition for Reimbursement form</td>
<td>Accounts Payable</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Equipment Approval Form</td>
<td>Financial Operations</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
<tr>
<td>Quotations</td>
<td>School or Section entering the Purchase Requisition/Order</td>
<td>Manager, Financial Operations</td>
<td>7 Years</td>
</tr>
</tbody>
</table>

Implementation and Communication

The Purchasing Procedure will be implemented throughout the University via:

1. Announcement on the FedNews website;

2. ‘Recently Approved Documents’ webpage to alert the University-wide community of the approved Policy;

3. Information/Training Sessions; and/or

4. Inclusion in the University's online Policy Library;

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Authorised by: Chief Operating Officer and Chief Financial Officer | Document Owner: Manager, Procurement | Original Issue: 11/10/2001 | Current Version: 10/05/2016 | Review Date: 23/03/2020 | CRICOS Provider Number: 00103D
5. Distribution of e-mails to relevant University Staff and Stakeholder.