

## Purchasing and inventory control

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| Section  |                    | OPERATIONS                                 |
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| Post/section with responsibility for implementation and monitoring |                    | Registrar and Chief Administrative Officer |
| Approved by  |                    | University Council                         |
| Policy review  | Latest review by   | Head of Operations                         |
|  | Latest review date | September 2023                             |
|  | Review outcome     | No changes                                 |
|  | Next review date   | September 2024                             |
| Cross reference/related documents:                                 |                    | 1.5 Conflict of interest                   |

### 1.0 Rationale and principles which this policy seeks to uphold

- 1.1 The University will make effective use of its financial resources by sourcing competitive prices for the goods and services it requires.

### 2.0 Scope

- 2.1 Applies to all purchases of goods and services made by all members of staff of the University in pursuit of the University's business.

### 3.0 Policy

- 3.1 The Vice Chancellor and the Registrar and Chief Administrative Officer are responsible for authorisation of purchases.
- 3.2 All purchases are to be made within the budget approved by the University Council.
- 3.3 For any purchase of a value greater than AED 5000, three quotations have to be obtained.
- 3.4 Authorisation is given via purchase order signed by the Vice Chancellor.
- 3.5 The person receiving the ordered goods will be responsible for receipt and inspection.
- 3.6 Regular purchases of consumables (stationery, refreshments) may be ordered without reference to the Vice Chancellor and Registrar and Chief Administrative Officer.
- 3.7 The relevant University conflict of interest policy applies to purchasing.

## 4.0 Procedures

### Requisition and purchasing

- 4.1 All purchase orders shall be certified as correct by the Finance Office and signed by the Vice-Chancellor or in his absence by the Registrar and Chief Administrative Officer.
- 4.2 The Finance Office shall ensure that good value for money is achieved. For all purchases of goods and services above AED 5,000, 3 written quotations shall be obtained and the purchase made at the cheapest price unless there are good reasons to do otherwise, which shall be recorded and retained on file.
- 4.3 The procurement to payment system shall have the following distinct stages:
  - 4.3.1 Raising the requisition:
    - 4.3.1.1 the University department or staff shall forward a purchase request to the Finance Manager. The request of this shall include details of the goods or services that are required, the price and quantity, the financial code to be debited and the name and address of the supplier.
  - 4.3.2 Approving the requisition:
    - 4.3.2.1 this shall be done by an authorised signatory (Vice-Chancellor Registrar and Chief Administrative Officer) for the financial code that is to be debited;
    - 4.3.2.2 the Finance Office will raise the purchase order and forward it to the supplier – this will be done only after the requisition has been raised and approved;
    - 4.3.2.3 the goods will be delivered to the University and the person accepting the goods will sign the delivery document and forward a copy to the Finance Department;
    - 4.3.2.4 the Finance Office, up on receipt of the invoice, will record the receipt of goods and services into the accounting system;
    - 4.3.2.5 the Finance Office will match the invoice to the requisition to allow payment of the supplier;
    - 4.3.2.6 the member of staff who raises a requisition must never authorise that requisition. There shall be no exceptions to this rule;
    - 4.3.2.7 the requisition and purchase order for goods and services should include the following details:
      - 4.3.2.7.1 all written purchase orders must be headed with the University's full name and address;
      - 4.3.2.7.2 provide the delivery and invoice address;
      - 4.3.2.7.3 include the full name of the person placing the order;
      - 4.3.2.7.4 show the description of the goods or services;
      - 4.3.2.7.5 indicate the quantity of goods being ordered;
      - 4.3.2.7.6 provide the price of the goods and/or services; and,
      - 4.3.2.7.7 include the account code to be debited.

4.3.2.8 Every requisition must be approved by an authorised signatory before an order is issued; this confirms that the purchase is bona fide and does not breach Financial Regulations and Procedures.

4.3.2.9 All requisitions/quotations for goods and services should be valued for the following factors:

- 4.3.2.9.1 their acquisition;
- 4.3.2.9.2 their installation;
- 4.3.2.9.3 their operation;
- 4.3.2.9.4 the requirement for any maintenance services;
- 4.3.2.9.5 their performance;
- 4.3.2.9.6 their disposal.

4.3.2.10 Other important aspects, which must be considered, are:

- 4.3.2.10.1 capital costs;
- 4.3.2.10.2 firmness of price;
- 4.3.2.10.3 foreign exchange costs and risks;
- 4.3.2.10.4 terms of payment;
- 4.3.2.10.5 warranties;
- 4.3.2.10.6 operating costs;
- 4.3.2.10.7 any resource implications i.e. space, building or service alterations; and,
- 4.3.2.10.8 sale of or the scrap value.

4.4 Purchase of any kind will not be initiated unless funds have been appropriated in the annual budget and are available for the purchase.

4.5 Requests for any purchase not budgeted in the academic year will require a special approval from the Vice-Chancellor and the Registrar and Chief Administrative Officer and will be reported to the Council during the earliest meeting.

4.6 Purchase of office stationery, cleaning & office supplies that are regularly used can be made by the Finance Office without the approval of the Vice-Chancellor and Registrar and Chief Administrative Officer.

4.7 When purchases are made with suppliers, particular attention must be made to clauses on:

- 4.7.1 terms of payment;
- 4.7.2 delivery;
- 4.7.3 rejection of defective goods/unsatisfactory services;
- 4.7.4 insurance of the goods; and,
- 4.7.5 termination provisions

4.8 Staff should be aware that cancellation of a contract may make the University liable to pay compensation and possibly other costs.

4.9 All supporting documentation, such as quotations and tendering information must be kept in the Finance Office.

#### Receipt of goods and services from suppliers

- 4.10 Where possible, BUiD should specify that goods are delivered to one location where they should be physically inspected and agreed to the supplier's delivery note.
- 4.11 The delivery note must be signed and dated by the individual receiving the goods. If only part of an order has been delivered this must be indicated on the delivery note. Where it is not possible to inspect the goods at the time of delivery the person receiving the goods should write "Goods unchecked" on the delivery note before signing for the receipt of the goods. The goods should then be checked to the delivery note as soon as possible thereafter.
- 4.12 The invoices must not be paid until the receipt of the related goods and services have not been recorded into the financial system. Any discrepancies or damaged or unsatisfactory goods must be noted and taken up with the supplier immediately.
- 4.13 Delivery notes must be retained for reference and must be available for inspection by the auditors.

#### Maintenance and repair

- 4.14 Maintenance arrangements should be arranged to take advantage of supplier's ability to undertake work on all equipment of a similar nature, with a view to reducing overall costs.

#### Inventory

- 4.15 The Finance Office will carry out a full stock count (including assets) and maintain a stock record. Such counts will be subject to audit checks. The inventory check will be carried out at least once a year at year end.

#### Retention of documents

- 4.16 Quotations and tenders must be kept for a minimum of five years after the end of the financial year in which the purchase was made and the action taken (giving reasons) must be adequately documented by an authorised signatory.

#### Personal use

- 4.17 The use of University procurement processes or resources for the purchase of personal items or services is not permitted.