

# PURCHASING POLICY

Policy nr 003  
of

**17Billion**

## Policy

### Preamble

This Policy and Procedure lists the conditions by which the Trust and trading subsidiaries if any will deem themselves committed contractually. The Policy gives the overall approach towards committing expenditure while the Procedure states in more detail how an entity shall become committed. It also states that if the procedure is not followed exactly then any 'contract commitment' will have been *ultra vires* as it was beyond the powers of the signatories to commit us because the action was prohibited. This Policy and Procedure document is published on all of our websites and so is notified to the public and is in the public domain.

### Policy

It is the Policy of the Trust and its trading subsidiaries if any (however many there are at any time) ("the Trust") that it shall be committed to expenditure only when it desires to be committed and when the Procedure on Purchase Orders and Commitments set out below is followed exactly.

The management undertakes that this Policy will be developed, reviewed and actively supported at the highest level and will be consistent with the other Trust policies.

Management also undertakes that this Policy will remain relevant to all activities, expenditures, products and services. It will be understood, implemented and maintained at all levels within the Trust.

### Responsibilities

The overall responsibility for the implementation of the Policy rests with the Trustee/ Trustees collectively. Together he/she/they will actively encourage awareness of the Policy and Procedure on the part of all managers and staff, suppliers and prospective suppliers. Together they will initiate necessary actions to avoid or mitigate any harmful risks connected with committing expenditure.

**All staff, personnel, sub contractors and volunteers working on any site under the control of the Trust are expected to observe this Policy and Procedure. To this end we will refer all persons with whom the Trust has dealings to the website so that they will become aware of this Policy and Procedure.**

### **Aims**

**One important aim of this Policy is to prevent or reduce the likelihood of the risk of litigation and loss of management time in dealing with litigation, threatened litigation and spurious claims against the Trust, Trustees, management, staff and personnel including personally.**

**A second important aim of this Policy is to ensure expenditure is contained so as to never exceed approved budgets and is always committed exactly in accordance with this Policy and Procedure.**

**The aims of the Policy will be achieved by effective two-way communication with all Trustees, staff, personnel, suppliers and prospective suppliers to ensure compliance.**

### **Procedure – Preamble**

**All parties are hereby made aware of the following matters:-**

- **The importance of compliance with the Purchasing Policy and Procedure**
- **The risks of non compliance**
- **Individual Function Descriptions state the individual's level of ability to commit the Company contractually**
- **All commitments above £500 in value must be approved by two Trustees or, if there is only one, by the Trustee**
- **Roles and responsibilities in achieving compliance with the Policy and in educating others**
- **The potential consequences for the individual of departing from the Procedure**
- **Fraud is common in this area of business and vigilance is required**

**A suggestion scheme encourages ideas which may lead to improvements in this Procedure.**

### **Detailed Procedure**

**Volunteers (also known as external personnel) cannot commit the Trust to any expenditure. Trustees and staff (internal personnel) either have Function Descriptions or a contract. These documents set out the degree if any to which individuals (or their limited companies if they operate through a limited company) can commit the Trust. Within these limits individuals or their company must observe the following detailed procedure.**

**When ordering goods and services the individual placing the order shall render himself/herself aware of this Procedure and of the approved budget for those goods and services.**

**If there is no budget or the budget will be exceeded then the explicit approval of two Trustees shall be obtained in writing. A copy of the approvals shall be kept for 2 years by all parties. If there is only one Trustee then only one approval shall need to be obtained and retained.**

**Items exceeding £500 in cost shall similarly require the approval of two Trustees unless there is only one Trustee.**

**Where a document is received entitled Contract or similar title, or it implies that it will commit the Company in such a way as to exceed £500 expenditure or exceed the budget for the type of expenditure, the receipt of the document shall be immediately notified to all Trustees.**

**Where invoices are received exceeding £500 the fact of receipt of the document shall be similarly immediately notified to all Trustees.**

**Whenever a supplier, apparent supplier or prospective supplier threatens legal action or debt collection action, that communication shall be immediately be forwarded to all Trustees, and confirmation obtained from a majority of them that they have received it and have understood it.**

**Instructions from Trustees as regards avoiding action shall be followed. In the event of a conflict between instructions received from Trustees, then the instruction of the senior Trustee (the earliest appointed Trustee) shall be followed.**

**Where any document referred to above is in a foreign language then the Trustees shall be informed of this.**

## **Monitoring**

**Management are to monitor the effects of the Policy by means of questions during training and the number of adverse occurrences recorded which are potentially dangerous to the Trust. Where necessary management will recommend improvements in the way activities are carried out or services delivered.**

**March 2021**

**END**