Purchasing Procedures

Category: Finance

1. LEGISLATION/ENTERPRISE AGREEMENT/POLICY SUPPORTED

Purchasing and Payment Policy

2. PROCEDURAL DETAILS

2.1 OPEN AND EFFECTIVE COMPETITION

Applying open and effective competition maintains the transparency and integrity of purchasing. The following table sets out the minimum requirements for the procurement method that must be used for the procurement of goods and services when not purchasing from an existing contract. Before any purchase is undertaken, an approving authority must ensure that no similar goods and/or services can be purchased from a contracted supplier (see section 2.2). If the necessary good or service can be purchased from an existing contracted supplier, then that source should be considered in the first instance.

<table>
<thead>
<tr>
<th>Monetary threshold 1</th>
<th>Minimum requirements</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to and including $5,000</td>
<td>One verbal quote or direct purchase.</td>
<td>The receipt or tax invoice.</td>
</tr>
<tr>
<td>$5,001 - $20,000</td>
<td>Three verbal quotes.</td>
<td>A written record of the quotations received.</td>
</tr>
<tr>
<td>$20,001 - $250,000</td>
<td>Three written quotes.</td>
<td>The written quotation must include sufficient detail to allow a comparison between alternative offers.</td>
</tr>
<tr>
<td>Above $250,000</td>
<td>Tender and involve SPG.</td>
<td>Tender document, tender submissions and an evaluation report.</td>
</tr>
</tbody>
</table>

Where the total estimated price of the proposed purchase is greater than $250,000, a member of Strategic Procurement Group (SPG) must be involved from the early stages of the procurement until contract execution. Where a purchase is considered complex or high risk, irrespective of the monetary value, SPG is available to provide a consultancy service in assisting the procurement process.

2.1.1 Curtin in-house suppliers

Current Curtin in-house suppliers include the Curtin University Bookshop (including the Computer Shop). Where the goods to be purchased (outside of contracted suppliers) can be provided by an in-house supplier, then a quote must be sought from the in-house supplier. The approving authority will then be required to make a value for money decision.

2.1.2 Exemptions from competitive requirements

2.1.2.1 Exceptional circumstances may exist where the minimum competitive requirements outlined in the table above are not appropriate. These exceptional circumstances may include, but are not limited to the following:

(a) there is a bona fide sole source of supply;
(b) a contract for a similar requirement through a competitive process has been awarded in the previous 12 months and there is a reasonable expectation that the market has not changed; or

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1 Monetary thresholds are based on the total estimated price, including any extension options and are exclusive of GST
(c) goods and services from a particular supplier are required to integrate within an existing contractual arrangement, project or ICT standard operating environment and an alternative product is not suitable.

2.1.2.2 An approving authority wishing exemption from the competitive requirements outlined in the table in section 2.1 must seek approval from their Executive Manager and the Director, Strategic Procurement prior to purchasing.

2.2 CONTRACTS

(a) When goods and services are required on an ongoing basis, rather than as a one-off purchase, a contract for a specified term may be entered into. Such terms shall not exceed five years, unless approved by the Director, Strategic Procurement.

(b) If an available extension option of a contract is to be exercised, it must be agreed prior to the current expiry date of the contract. Where a contract expires, the supplier is no longer a contracted supplier and the open and effective competition requirements of section 2.1 above apply.

(c) Prior to execution of the contract by an approving authority, all contract documents must be reviewed and approved by Legal and Compliance Services. Where non-standard University contract documents are to be used, Legal and Compliance Services must be involved at the start of the contract process to ensure it is able to perform its legal due diligence in sufficient time. If contract insurance and indemnity provisions are non-standard, Legal and Compliance Services may request Risk Management to review the contract.

(d) When purchasing from a contracted supplier, the buying rules specified in that contract will apply.

2.2.1 Whole-of-University contracts

(a) When a particular good and/or service is required by more than one administrative area of the University, the establishment of a whole-of-University contract will be considered. Such contracts will be established by SPG in collaboration with major users. Endorsement by the Planning and Management Committee is required prior to the execution of a whole-of-University contract.

(b) SPG will manage whole-of-University contracts and, if appropriate, in collaboration with an expert in the particular commodity. For example, the temporary staff (non-academic) whole-of-University contract is managed collaboratively by SPG and Human Resources.

2.2.2 Area contracts

(a) Area contracts may be established where the particular good and/or service are specific to the administrative area undertaking the purchase. The approving authority must ensure that the procedures in this document are adhered to, that the University is able to meet its obligations under the terms of the contract, and that contractual obligations are managed from both University and Contracted supplier perspectives.

(b) Executive Managers shall keep records of area contracts drawn up in the respective areas for accountability and monitoring purposes.

2.2.3 IT leasing

Leasing of IT equipment (PCs, laptops, printers and MFDs) must be coordinated through whole-of-University contracts managed by SPG.

2.2.4 State Government common use arrangements

The University is an approved user of WA State Government common use arrangements. Common use arrangements are contracts established by the WA State Government Department of Treasury and Finance for use by State Government departments and approved users. To access a common use arrangement, please contact SPG who will provide advice.

2.3 APPROVING AUTHORITIES
(a) Staff members and university associates may only sign contracts for goods and services on behalf of the University or approve expenditure if they have been delegated that authority. Such authority is summarised in the Register of Functions and Delegations. Note that the delegations to sign contracts on behalf of the University are different to the delegations to approve expenditure.

(b) Approving authorities need to ensure that a member of SPG is involved from the early stages of the procurement process for any purchase greater than $250,000.

2.3.1 Signing a contract on behalf of the University

(a) Approving authorities with delegated authority to sign a goods and/or services contract on behalf of the University need to ensure compliance with all requirements of these procedures prior to signing a contract. This includes having the contract document reviewed and approved by Legal and Compliance Services.

(b) Where an approving authority has a potential conflict of interest (whether real or perceived) in that contract to which they are an intended signatory, reference should be made to the Conflict of Interest Policy and Procedures in relation to the most appropriate action to be taken.

2.3.2 Approving expenditure

(a) Approving authorities with delegated authority to approve expenditure must do so within the Council-approved delegation limits.

(b) An approving authority cannot approve any expenses or transactions where the monies paid or to be paid have provided or will provide a personal benefit, pecuniary or otherwise, to the approving authority. The approving authority's manager must approve such expenses or transactions. The approving authority is responsible for ensuring that there is adequate segregation in the approval, custodianship and recording of expenditure activities.

2.4 PAYMENTS

(a) Payments for purchases of amounts less than $5,000 (excluding GST) should be made using a corporate credit card whenever possible. If a supplier does not accept credit card payments, then the purchase should be made using a purchase order.

(b) Payment for purchases of amounts of $5,000 or more (excluding GST) should be made using a Curtin University purchase order except where impracticable. Examples of exceptions to the use of a purchase order include items such as:
   - overseas travel and accommodation costs;
   - overseas graduation costs;
   - conference fees; and
   - purchases that can only be done via phone or internet.

2.4.1 Curtin University purchase order

(a) Purchase orders are to be raised electronically through the University's accounting system. Segregation of duties must exist between the approval of a requisition into a committed purchase order and the approval of receipt/delivery.

(b) Approving a requisition into a committed purchase order is the only process in creating and receipting a purchase order that requires a delegation within the Register of Functions and Delegations.

(c) When a University purchase order is raised, it must contain the following information:

   (i) supplier's details;
   (ii) the area within the University from where the purchase order is raised;
   (iii) the delivery due date for the goods and/or services;
   (iv) the location for the delivery of goods and/or services;
   (v) a full description of the goods and/or services including quantity and cost, which may include or exclude GST depending on the GST type applicable to the product and/or services; and
   (vi) any other information that may be required for internal use.

(d) Purchase orders must be matched to the supplier's invoice by an approving authority independent of approving the purchase order after the ordered goods and/or services are received.
(e) Unmatched purchase orders must be reviewed on a monthly basis by the Head of Organisational Unit or delegate and reported to the respective Heads of Areas for further action.

(f) Actions to clear unmatched purchase orders from the University's accounting system can take the following forms:

(i) When only partial delivery has occurred, no action to clear the purchase order is required;
(ii) When no delivery has occurred, action to confirm delivery date is essential particularly when the delivery is overdue;
(iii) When full delivery has occurred and the purchase order remains unmatched either partially or completely, amendments must be made to the purchase order to match the delivery of the goods and/or services so that the purchase order is completely cleared.

(g) Purchase orders can only be cancelled by the same approving authority that approved the original requisition or by the Senior Finance Officer, Accounts Payable.

(h) Actions to cancel purchase orders from the University's accounting system can only be allowed under the following circumstances:

(i) a purchase order had been raised with the wrong supplier;
(ii) the goods and/or services are no longer required by the area after the purchase order had been placed;
(iii) the supplier is no longer able to supply the goods and/or services as outlined on the purchase order; or
(iv) the purchase order no longer reflects the product and/or goods and services that had originally been placed because of a change in specifications to the products and/or goods and services either by the University or the supplier.

(i) The Manager, Transaction Services, Financial Services will authorise certifying officers. Certifying officers must verify that:

(i) In the case of transactions within the purchasing process:
   • Approval for payment is accompanied with supporting documentation (e.g. delivery advice for purchases with purchase orders and tax invoices); and
   • Purchase order details (e.g. account number, GST code) are valid and appropriate. The description (posting narration) should adequately describe the purchase.

(ii) In the case of transactions outside the purchasing process (e.g. foreign currency transactions, staff reimbursements; invoices without purchase orders):
   • the name of the person preparing the allonge is duly completed;
   • the allonge or supporting documentation contains the supplier's ABN details, if applicable;
   • incurring officers are current authorised signatories;
   • approval for payment is accompanied with supporting documentation (e.g. delivery advice for purchases with purchase orders and original tax invoices); and
   • allonge details (e.g. account number, GST code) are valid and appropriate. The description (posting narration) should adequately describe the purchase.

2.4.2 Corporate credit card

Corporate credit cards may be provided to University staff members who are engaged in the procurement of goods and services for the University. The corporate credit card is an efficient method for the purchasing of high volume and low cost goods and services. Where corporate credit cards are used, purchase orders must not be raised.

2.4.2.1 Conditions for the issue of a corporate credit card

(a) The Head of Organisational Unit will decide if the duties of the position require a corporate credit card to be issued to a staff member. A corporate credit card is
issued on condition that it will be used in accordance with these procedures and the card issuer’s conditions of use.

(b) The corporate credit card will not be used, nor will it be permitted to be used, other than for business and work-related purposes.

(c) The cardholder will take all reasonable steps to secure and safeguard the corporate credit card.

(d) In the event that the corporate credit card is lost or stolen, the cardholder will immediately notify the appropriate card issuer and the Corporate Card Administration Team within Financial Services.

(e) The cardholder must surrender the corporate credit card(s) (cut in two) to the supervisor:

(i) on cessation of employment with the University;
(ii) on transfer to a new position within the University (unless prior approval to retain the card(s) is received from the transferee’s new approving authority); or
(iii) if the corporate credit card is revoked by the University.

2.4.2.2 Restrictions on the use of a corporate credit card

A corporate credit card cannot be used for the following purposes:

(a) the drawing of cash without receiving, for each occasion, the prior written approval from the Head of Organisational Unit, or travel approver in the case of a traveller;
(b) payment of any allowance as cash (e.g. for per diems/subsistence on official business travel);
(c) purchase of goods or services for which approval has not been received, or for which no delegation is held;
(d) purchase of fuel where the cardholder also holds a fuel card (such as a Shell card), unless the fuel card is not accepted due lack of service provider in the area (e.g. international travel or remote locations);
(e) internal payments within the University, except over the counter payments at the University Bookshop; or
(f) payment of study fees for a staff member.

2.4.2.3 Applying for a corporate credit card

(a) Applicants must complete the relevant corporate credit card application form and any additional identification forms required by the card issuer. The relevant forms are available from the Corporate Card Administration Team within, Financial Services.

(b) Staff members applying for a corporate credit card must also complete a University Corporate Card Agreement acknowledging the limitations imposed on the use of the card and their responsibilities for its care.

(c) Staff members must obtain the approval from the Head of Organisational Unit on the completed University Corporate Card Agreement before a corporate card can be issued.

(d) Financial Services will notify Human Resources when a corporate credit card has been issued and a copy of the University Corporate Card Agreement will be held on the staff member’s personal file and recorded on ALESCO.

2.4.2.4 Approving the application

(a) In deciding whether an application for a corporate credit card should be approved, the Head of Organisational Unit will consider the position held by the staff member and only approve the application where the performance of that staff member’s duties requires a corporate credit card.

(b) The Head of Organisational Unit will decide if a spending limit is appropriate for the position holder. The spending limit is set at the time of corporate credit card application. The default spending limit will apply to new accounts, subject to changes by the Head of Organisational Unit. The Head of Organisational Unit may revise monthly spending limits after taking into consideration the budget and in consultation with the Corporate Card Administration Team within, Financial Services.

(c) Cash withdrawal facilities are used only when arranged with Financial Services (during corporate credit card application) and approved by the Head of Organisational Unit.
(d) The Head of Organisational Unit must decide whether there is a business need for a cash withdrawal facility at the time of approving an application. A decision must take into account the high cost of interest and the restrictions on cash withdrawals (section 2.4.2.2).

(e) Where the cardholder's spending limit requires adjustment (increase or decrease) after the corporate credit card has been issued, a memorandum signed by the Head of Organisational Unit must be forwarded to the Corporate Card Administration team within, Financial Services who will complete, approve and despatch the appropriate authorisation to the card issuer.

(f) The Corporate Card Administration team within Financial Services will conduct a regular review of the use of cards and associated monthly spending limits. Where appropriate, the Corporate Card Administration team within, Financial Services will recommend to the appropriate Head of Organisational Unit adjustments to monthly credit limits to better reflect past use.

(g) The Chief Financial Officer, or nominee, has the authority at all times to reduce the corporate credit card limit or remove any corporate credit card (including cash withdrawal) facilities at his/her discretion.

2.4.2.5 Revocation of corporate credit cards

(a) The Chief Financial Officer upon the advice of the Manager, Transaction Services, Financial Services, may revoke the corporate credit card should the cardholder:

(i) fail to adhere to the conditions outlined in the University Corporate Card Agreement and the procedures set down in this document;
(ii) be suspended from duties in relation to any misconduct-related matter; or
(iii) have otherwise engaged in activities that bring the University into disrepute.

(b) Prior to revoking a corporate credit card, the Corporate Card Administration team within Financial Services will review the circumstances and advise the individual of the intended action.

(c) The Head of Organisational Unit has full discretion to request that a corporate credit card held by a staff member in their area of responsibility be revoked.

2.4.2.6 Methods of use

The corporate credit card may be used to procure and pay for goods and services in four distinct ways. In all cases, the cardholder must ensure that all required authorisations are obtained prior to purchase within the monetary limits of their corporate credit card(s) and in accordance with the Register of Functions and Delegations.

A. PURCHASES AND PAYMENT IN PERSON

When purchasing and paying for goods or services in person, the following documentation must be retained:

(a) The EFTPOS terminal printout, or the manual sales voucher, which must include the:

(i) transaction date;
(ii) transaction value; and
(iii) card number;

And

(b) The supplier's cash register docket, or sales invoice, which must include:

(i) a full description of the Item(s) purchased;
(ii) the name and address of the supplier;
(iii) the supplier's ABN (if Australian supplier);
(iv) the transaction value; and
(v) the GST component.
B. PURCHASES AND PAYMENT BY TELEPHONE

(a) Where a purchase is arranged by telephone using the corporate credit card, the cardholder must retain delivery documentation and any other documentation, which details the purchase.
(b) When sourced from an Australian supplier, a tax invoice should always be requested to accompany the goods supplied.
(c) The nature of this type of transaction is that suppliers receive payment for goods and services as soon as they lodge the merchant copy of the sales voucher with the card company. For this reason, it is important that only regular and/or reliable suppliers are used for telephone purchases.

C. PURCHASES AND PAYMENT BY MAIL

This method of purchase and payment may apply in respect of items such as subscriptions, conference fees and utility accounts. Once payment has been made, the supplier order form, invoice or other documentation detailing the purchase must be retained by the cardholder and is to be endorsed "Paid by corporate card number ####### [last 4 digits]."

D. PURCHASES VIA THE INTERNET

The cardholder should only enter corporate credit card details on a website if they are confident as to its authenticity and that the connection is secure. A secure website has the prefix "https" in the website address (e.g. https://www.abc.com). An insecure website will have "http" in the website address (e.g. http://www.def.com). The cardholder should retain supplier documentation.

2.4.2.7 Purchase of assets

(a) Cardholders are permitted to use a corporate credit card to purchase equipment. However, such purchases must be conducted strictly in accordance with the Assets Procedures ensuring that the item(s) purchased are properly recorded on the Fixed Assets Register.
(b) A Fixed Asset Registration Advice form must be submitted for each asset purchase with a copy of the supplier tax invoice along with a reference to the Concur EMS Expense Report at the time when the cardholder acquits the card statement.

2.4.2.8 Cash withdrawals

(a) Cash advances using corporate credit cards are permitted only when the approving authority has given specific approval in advance and in writing. Approval must be obtained prior to each and every withdrawal of cash. The provision of the cash withdrawal facility alone is not authority for the cardholder to withdraw cash without this further approval. An exception occurs when the claimant intends to travel overseas where the corporate credit card may not be accepted. Approval for cash withdrawals may be written into and approved as part of the individual's travel budget approval.
(b) Exceptions to these limits must be approved by the approving authority, in consultation with the Corporate Card Administration team within, Financial Services.
(c) Interest and fees charged on cash withdrawals will be charged to the cardholder's cost centre.
(d) Withdrawals from automatic teller machines (ATMs) are subject to the limits imposed by the ATM service provider.

2.4.2.9 Fringe benefits tax (FBT)

(a) Payments for travel and associated expenses made on the corporate credit card are subject to FBT unless the University is able to demonstrate that the expenses are incurred in the conduct of University business and have no private or personal component. For off-campus entertainment and hospitality, FBT is payable for staff members and associates (including partners), but not for guests.
(b) To ensure that the University does not incur FBT unnecessarily, cardholders must provide details of the following:
(i) travel expenses;
(ii) entertainment and hospitality expenses (including number of staff members, guests and associates); and
(iii) general expenses (including non-personal telephone accounts).

2.4.2.10 Personal expenditure using the corporate credit card

The corporate credit card cannot be used to incur personal expenditure except where a spouse/partner accompanies the cardholder on University business and expenses incurred as a couple cannot be split between the corporate credit card and personal payment, the total cost may be met on the corporate credit card. In such circumstances, the non-business portion of the expenses must be settled upon return to the University by a personal cheque or cash. A personal cheque or cash for the non-business expenditure should be presented to the University Cashier upon return to the University. The receipt from the University Cashier for the payment must be included with the supporting documentation for the relevant corporate credit card acquittal.

2.4.2.11 Purchase by direct debits

Cardholders are not permitted to make a purchase that requires regular automatic payments (direct debits) in fixed amount over a period from the corporate credit card. These types of purchase must be made as a series of single transactions.

2.4.2.12 Goods and services tax (GST)

The University is charged GST on most goods and services purchased within Australia and GST paid is recovered from the Australian Taxation Office by Financial Services. It is essential that all documentation (e.g. receipts, tax invoices) relating to corporate credit card purchases is included with the supporting documentation for the relevant corporate credit card acquittal. The Organisational Unit must keep the original tax invoice or receipt for seven years.

2.4.2.13 Processing - end of month procedures

(a) Expenses incurred by a cardholder must be charged against a cost centre within the cardholder’s area. This is achieved through the completion of an expense report within the Concur Expense Management System, which must be forwarded to the approving authority for review and approval.

(b) The approving authority must review the expense report and supporting documentation before approving the expense. The exception to this requirement is when the supervisor is a Head of Organisational Area. In this instance, he/she may allow the Faculty/Area Business Manager to approve a cardholders’ expenditure. However the Faculty/Area Business Manager cannot approve their supervisor’s corporate credit card expense report2. If the Faculty/Area Business Manager has a concern about acquitting/approving any expense report from an officer who is graded higher or more senior, then that document will be referred to the Head of Organisational Area for review and approval.

(c) If the approving authority does not approve an expense report because the expenditure is unauthorised, the corporate credit cardholder may be requested to refund the amount to the University.

2.4.2.14 Acquittal/approval of cash advances

(a) The full amount of any cash withdrawal must be substantiated with invoices and receipts and be attached to the appropriate expense report on the Concur Expense Management System.

(b) Where invoices or receipts are lost or where invoices or receipts were impossible to obtain, the cardholder must fill a Memo of Declaration of Missing Receipts. The cardholder must itemise the missing receipts, include the reasons for unavailability of receipts and declare that the expenditure is incurred in accordance with all University

2 Further examples: The Pro Vice Chancellor (PVC) may permit the Faculty Business Manager (FBM) to approve Heads of Schools’ corporate credit card expense reports. The FBM’s corporate credit card, however, cannot be approved by the FBM’s staff, but by the PVC. A School Administrator (SA) may approve staff members’ corporate credit card expense reports, however the SA’s corporate credit card expenses must be approved by the Head of School.
policies and procedures. The Memo of Declaration of Missing Receipts will be reviewed by the cardholder's supervisor and approved to ensure that the expenditure is authorised and that reasons for unavailability of receipts are valid.

(c) Unspent cash advances must be repaid through the University Cashier upon return to the University into a clearing account designated by Financial Services. The receipt for the repayment must be included with the relevant corporate credit card acquittal.

(d) Small amounts of foreign currency, which cannot be exchanged for Australian dollars (typically with a total equivalent value of no more than $50), may be held over for future business travel, or given to other members of staff travelling to the same destination. These small amounts must be declared on the statement of expenses as "incidental foreign currency".

(e) Cash withdrawals on corporate credit cards that are not subsequently acquitted/approved may be deemed to be payments of allowances. The University may take action such as recovery from future salary or repayment. Where fraud is identified or suspected, the normal procedures for reporting to the Corruption and Crime Commission and of the misconduct under the relevant Enterprise Bargaining Agreement will apply.

(f) On a cardholder's cessation of employment from the University, the supervisor must ensure that all expenditure and cash advances are adequately acquitted (including approval) before final salary payment.

2.4.2.15 Fees and charges associated with the corporate credit card

All fees and charges, including interest and cash withdrawal fees, penalty fees and annual subscription fees will be met from the Financial & Commercial Services cost centre.

2.4.2.16 Timeliness of acquittals

The University's procedures to ensure that cardholders are held accountable for timely and satisfactory acquittal/approval of their corporate credit card use are as follows:

(a) The deadline for all submission of acquittals by cardholders is the 20th day of each month. Authorising officers must approve all "submitted but not approved" transactions by the last day of the same month.

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<tr>
<th>Deadlines</th>
<th>Action</th>
<th>Example</th>
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<tbody>
<tr>
<td>Up to 20th day of each month</td>
<td>Cardholder to submit all transactions prior to the current month for approval</td>
<td>All transactions up to 30 June must be acquitted and submitted for approval by 20 July</td>
</tr>
<tr>
<td>By the last day of the month following the 20th</td>
<td>Approving authority approves transactions submitted by cardholders up to the 20th day of the month</td>
<td>All transactions submitted for approval by 20 July must be approved by 31 July</td>
</tr>
<tr>
<td>Within 3 days of the month end</td>
<td>Any purchases greater than one month old which are not acquitted/approved shall be notified by Financial Services to the appropriate Deputy Vice-Chancellor / Vice President / Executive Manager for action</td>
<td>Any unacquitted / unapproved June (or prior) transactions are advised by 3 August</td>
</tr>
<tr>
<td>At least once per financial quarter</td>
<td>The Chief Financial Officer or nominee will review unacquitted amounts over 60 days old and determine if the credit card facility is to be withdrawn</td>
<td>Any cards with unacquitted June (or prior) transactions may be cancelled from 31 August</td>
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</tbody>
</table>
(b) Exceptions to the above procedures will only be considered on application at the
discretion of the Chief Financial Officer.
(c) Corporate credit cards which have been suspended will only be reinstated once the
Chief Financial Officer is satisfied that previous outstanding balances have been
satisfactorily acquitted (including approval). Any costs incurred in reinstating the card
will be charged to the cost centre in which the relevant cardholder is employed.

2.5 SUNDRY

2.5.1 Quotation of Australian Business Number (ABN)

Where a supplier has not quoted an ABN, and has not provided a "Declaration by
Supplier" form, the University is required to deduct Pay As You Go (PAYG) withholding
tax from payments for goods or services exceeding a value of $35, excluding GST.

2.5.2 Goods and Services Tax (GST) recovery and tax invoices

(a) The University is able to recover GST paid to suppliers from the Australian Taxation
Office (ATO), providing that a valid tax invoice is available to support the amount of
GST paid.
(b) There is an exception to this rule for purchases of goods or services not exceeding a
value of $35, excluding GST.
(c) Where a supplier charges GST, a tax invoice must therefore be obtained for all
purchases of goods or services exceeding a value of $35, excluding GST.

2.5.3 Disputes with suppliers

(a) Occasionally, disputes will arise with suppliers where the supply is incomplete,
damaged, or in some other way unsatisfactory. Under such circumstances, the
incurring officer or person receiving the goods and/or services must notify the
supplier and make arrangements for correction. The vendor tax invoice should not
be processed until satisfactory receipt of goods and/or services has been confirmed.
The due date for the payment of the vendor tax invoice may be amended to reflect
the later corrective supply.
(b) Financial Services and/or Legal and Compliance Services may assist, as necessary
to resolve disputes where the administrative area is unable to do so satisfactorily.

2.5.4 Payments to staff members

Payments of staff remuneration and related expenses are made in accordance with
Human Resources policies and procedures.

2.5.5 Prompt cheques/EFT

Requests for prompt cheques/EFT outside normal payment cycles must be made in
writing by the approving authority or Incurring officer and will only be actioned at the
discretion of the Senior Finance Officer Accounts Payable, Financial Services in the
following exceptional circumstances:
(a) The University has been issued a legal notice for payment;
(b) The University is contractually obligated to make payment; and
(c) The University will incur significant interest/penalty charges for late payment.

2.5.6 Cash cheques

Cheques made payable to "cash" will only be issued in exceptional circumstances and at
the discretion of the Senior Finance Officer Accounts Payable, Financial Services. Such
circumstances may include:
(a) Overseas visitors on short term visits;
(b) Emergency student loans;
(c) Petty cash float reimbursements; and
(d) Payment is to a student and delay will cause financial hardship.
2.5.7 Small value purchases

Small value purchases of $60 or less (including GST) will not be processed through Accounts Payable and must be paid for either by corporate credit card or by petty cash reimbursement. Preference should always be given to contracted suppliers. Refer to the Petty Cash Procedures.

2.6 GOODS AND SERVICES TAX (GST) AND CUSTOMS DUTIES EXEMPTIONS

2.6.1 Purchases by the University

Purchases by the University are normally exempt from customs duties, but not from GST. GST is claimed retrospectively and purchases must therefore be evidenced by a tax invoice.

2.6.2 Purchases by staff members and students

Staff and students are not permitted to purchase goods and services for personal use or benefit through the University in order to obtain GST or customs duty exemptions. The exception to this is through staff salary packaging arrangements.

2.6.3 Customs agents

(a) An administrative area may use the services of a customs agent to process imports. The customs agent requires copies of the vendor tax invoice and purchase order. An administrative area should make arrangements directly with their chosen custom agent.

(b) With some imports, such as exhibitions on loan, bank guarantees may be required. The arrangement of any bank guarantee is to be made through the Director Financial Operations, Financial Services. The administrative area must provide details of the goods (e.g. value, duration and purpose).

2.7 PURCHASE OF SPECIAL ITEMS

2.7.1 Dangerous goods


2.7.2 Poisons

The purchase of poisons listed in Schedules 2,3,4,3 or 8 of the Poisons Regulations 1965 requires a poisons permit or other authority to purchase obtained from the Health Department of WA. The purchase of substances listed in Schedule 9 of Poisons Regulations 1965 is prohibited in WA unless exclusive permission is granted by the Health Department of WA. Contact Health and Safety for assistance.

2.7.3 Prohibited imports

Imported substances of vegetable or animal origin require an import permit. The import permit must be obtained from the Director-General of Health (Commonwealth).

2.7.4 Animals for research purposes and radioactive materials

The purchase of animals for research purposes and radioactive materials require the prior approval of the University's Animal Experimentation Ethics Committee and the Radiation Safety Committee respectively.

2.7.5 Prepayments

Prepayments are occasionally required by a supplier or to take advantage of discounts or terms of trade. Approval of the Head of an Organisational Area is required for prepayments made to suppliers exceeding $10,000 (excluding GST) per transaction. The
Organisational Area should ensure that due diligence has been carried out to ensure that risk management is performed on the supplier, including ensuring that:

(a) the supplier is financially viable and has a track record of reliability; and
(b) the risks of non-continuity of supply are minimal.

2.8 RETENTION OF RECORDS

Under the provisions of the Financial Management Act 2006 (WA) and the State Records Act 2000 (WA), records of contracts and arrangements entered into for the supply of goods and services, including quotes, purchase orders and other correspondence with suppliers, shall be retained to allow for the subsequent certification of supplier tax invoices and for possible scrutiny by external auditors. For guidance on the duration of retention of records, refer to Records and Information Management’s Disposal Authorities.

3. RESPONSIBILITIES

Responsibilities are those as set out in section 2.

4. SCOPE OF PROCEDURES

These procedures apply to all staff members and University Associates who:

(a) expend University's funds in the purchase of goods and/or services;
(b) are involved in the approval or administration of purchasing goods and/or services; and
(c) are involved in the award and/or management of contracts for the purchase of goods and/or services.

The following aspects are excluded from these procedures as they are subject to existing policies, operational guidelines and procedures:

(a) Education Services - onshore and offshore;
(b) Placements for enrolled students with external agencies; and
(c) Employment contracts, including Deed of Settlement.

5. DEFINITIONS

(Note: Commonly defined terms are located in the Policy Preferred Definitions)

Area contract
Means a contract for goods and services between the University and a supplier established for a specific administrative area.

Due diligence
Means the degree of prudence, due care and accountability expected of staff in the exercise of a duty, obligation or responsibility.

Item
Means a distinct part that can be specified separately in a group of things that could be included on an invoice and/or purchase order.

Whole-of-University contract
Means a contract for goods and services between the University and a supplier which is established by the Strategic Procurement Group (SPG) for the use of various administrative areas.

6. SCHEDULES

Nil

7. RELATED DOCUMENTS/LINKS/FORMS

Register of Functions and Delegations
Petty Cash Procedures
## REVISION HISTORY

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