

23. Purchasing Guidelines

- The Board of Management, through its Finance Sub-Committee, is advised to establish a set of procedures governing purchasing and should set out the arrangements for buying, receipt of goods and accounting for same.
- A purchasing policy needs to strike a balance between quality and cost, (as the cheapest is not necessarily the best) and between cost-effective bulk purchasing and inefficient overstocking. Registers of known suppliers may be built up for frequently required items but ***occasional comparative checks*** should be made with prices of other suppliers.
- The Board of Management should take reasonable steps to satisfy itself that reputable and competent suppliers and contractors engaged are registered with the Revenue authorities in the State.
- In all cases, where a contract (verbal or written agreement) is to be awarded for the supply of goods or services and payment under that contract is likely to exceed €6,500 in any twelve-month period, tax clearance procedures should be followed.
- All purchases, excluding routine items such as telephone, ESB and petty cash purchases, should be made on foot of an approved Purchase Order certified by the Principal. It is recommended that pre-numbered order books be used for this purpose. (**See template in Appendix 14**)
- Competitive tendering procedures as described below should always be used for the purchase of goods and services where the total value of goods and services consumed in any one year exceeds (or is likely to exceed) €6,500.
- Tendering procedures must also apply in the case of once off purchases in excess of €6,500.
- In all other cases, at least three quotations should be obtained.
- It is accepted that in respect of certain services (e.g. electrical, plumbing) which are required regularly and often at short notice that it may be more practical to select one/two contractors whose services are called upon as required, without the need to seek advance quotations for each task. In these cases, periodic comparisons of prices and quality of service between a number of contractors in the area will suffice.
- A file, containing evidence of the tendering and quotation procedures actually followed, should be retained.

Other considerations in the area of purchasing include

- Procedures for issuing and authorising orders.
- Safekeeping of order books.
- Special requirements in relation to the authorisation of major purchases.
- Deciding who is to be responsible for checking suppliers' invoices and statements, goods returned, maintaining records and authorising invoices for payment.
- The need to have individual invoices checked and signed, both as regards quantity and pricing and as proof of delivery, before being authorised for payment. Checking would involve examination and cross referencing of the invoice to the purchase order, goods delivery note, evidence as to quantity and the condition of goods delivered and evidence that service has been supplied to a satisfactory standard.
- As long as the above procedures are followed, some or all of these tasks may be delegated to post holders, heads of department or other responsible personnel.