



No PO No Pay Policy

Version: 1.0

University of Central Lancashire

No PO No Pay Policy

Sign Off History

Version	Name	Title	Comment	Date of Sign Off
V 1.0	George Charles		Chief Financial Officer	10/08/2020
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Introduction and scope

The University's Financial Regulations mandates that "All staff must procure, and contract manage goods, services and works in accordance with the University's Procurement Code, Code of Conduct and related policies and procedures."

As from April 2020, the University will operate a fully enforced "No Purchase Order No Pay" (No PO No Pay) policy with all suppliers and contractors providing goods, services and works. The policy applies to all such purchases from suppliers/contractors unless an alternative formal route of engagement has been agreed with the Director of Procurement.

Benefits of "No PO No Pay" policy

- Ensures that purchases are authorised before goods, services and works are supplied.
- Enables the University to process invoices efficiently thus ensuring a positive payment profile with suppliers/contractors.
- Allows accurate timely reporting, budgeting and forecasting across the University.
- Removes potential risk to the University by formally agreeing the terms of engagement before the supplier/contractor commits to deliver.

Requesting expenditure

As a reminder, all University employees must:

- only commit University funds by issuing a purchase order.
- use a University approved supplier in compliance with the Procurement guidelines.
- raise an appropriate purchase order, gain its approval and communicate the purchase order number to the supplier/contractor.

In accordance with the University's "No PO No Pay" policy, any invoices received from a supplier/contractor which does not clearly state a valid Purchase Order provided by the University will be rejected and returned to the supplier/contractor. The only exceptions to this relate to supplies in relation to the list below.

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Exception to “No PO No Pay”

The following expenditure/circumstances do not require POs. The Exceptions List currently covers:

- Telecommunication services (landline and mobile)
- Utilities (i.e. Electric, Gas, Water, Refuse)
- Postal services
- Grant (payments) to research partners and collaborators, where the University acts as lead partner.
- Rent (where covered by a signed Long-term Lease Agreement) - short term rental requires a PO.
- Rates (Council and Water)
- Payments to or on behalf of Public Bodies – non-procurement related payments only. A PO should be raised in respect of any procurement related spend.
- Payments to individuals (scholarships, bursaries, salaries, travel expenses and refunds)
- Child care vouchers
- Purchasing and Credit card payments

This list is under constant review and any further changes will be communicated to our suppliers by email.

Invoice Processing

Invoices received without a current valid purchase order number (or an incorrect purchase order reference) will be returned unpaid to the supplier/contractor.

The supplier/contractor will be instructed to contact the University employee who requested the goods, services or works to obtain the necessary purchase order information. Please ensure that any purchase order numbers quoted are current and valid. If a limit order is issued to the supplier, please ensure that the value has not already been completed or exceeded with the placement of the new commitment.

Invoices

All invoices must be addressed to University of Central Lancashire at the address below and sent as a PDF to **purchaseinvoices@uclan.ac.uk**

Where a supplier is unable to comply with the technical requirements for invoices, advice should be obtained from Accounts Payable or Procurement & Commercial Services.

Frequently Asked Questions (for staff)

Q1: What is No Purchase Order No Pay?

No PO No Pay is one of University of Central Lancashire's key financial control measures to ensure that payments are made only to suppliers and contractors where the supplied invoice (paper or electronic) contains a valid official purchase order (PO) number (unless a pre-agreed exception applies - see Q6 below for full list)

Q2: Why a No PO No Pay financial control measure?

No PO No Pay ensures that the University only pays for goods, services and works which have been properly ordered and authorised. It also ensures invoices received by the Accounts Payable team can be processed efficiently to minimise delay to suppliers and contractors. Invoices received by the Accounts Payable team without a valid PO number **will not be paid** and will be returned to the supplier.

Q3: When does No PO No Pay come into effect?

No PO No Pay will apply to all orders of goods, services and works placed on or after **April 2020**, and invoices received on or after this date.

Q4: From when should I ensure that I have a valid Purchase Order Number?

The University has operated a PO policy for several years although in the past invoices without a PO have been paid. As a result of full enforcement all commitments for goods, services and work must be made using a PO.

From April 2020 suppliers **must not**, under any circumstance, accept any verbal or written order from a University employee **unless** a valid PO number is given or an exception as set out in Q6 applies or it is an emergency order as per Q5 below.

Q5: How does No PO No Pay work?

No PO No Pay requires all invoices submitted by suppliers and contractors to contain an official PO number. In all, but exceptional circumstances, the PO number:

- will be generated from the University's corporate purchasing system, and
- given to the supplier or contractor **before** making any commitment to spend University monies.

In **exceptional** circumstances an **Emergency PO reference** will be supplied followed by an official PO number generated from our purchasing system within 3 (three) working days. There are exceptions to No PO No Pay - these are listed in Q6 below.

Q6: What exceptions apply to the No PO No Pay financial control measure?

The following expenditure/circumstances do not require POs. This list is under constant review and any further changes will be communicated to our suppliers by email. The Exceptions List currently covers:

- Telecommunication services (landline and mobile)
- Utilities (i.e. Electric, Gas, Water, Refuse)

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- Postal services
- Grant (payments) to research partners and collaborators, where the University acts as lead partner.
- Rent (where covered by a signed Long-term Lease Agreement) - short term rental requires a PO.
- Rates (Council and Water)
- Payments to or on behalf of Public or Government Bodies - non-procurement related payments only. A PO should be raised in respect of any procurement related spend.
- Payments to individuals (scholarships, bursaries, salaries, travel expenses, prizes, awards and refunds)
- Child care vouchers
- Legal services (HR and Corporate services)
- Purchasing and Credit card payments

Q7: What is the valid PO number sequence/format for the University?

All valid PO numbers, in pdf/paper form, with the exceptions of those mentioned below, are issued in a numerical format currently starting 1nnnnnnn or 2nnnnnnn.

Frequently Asked Questions (for suppliers)

Q8: Will I only receive POs through the post?

No, POs will usually be emailed to the email address provided in your supplier details, however, they can be faxed or mailed if necessary. PO numbers can also be confirmed over the telephone, but for your own records you should ask for the copy.

Q9: What happens if I receive a PO and it does not seem to be correct or I don't understand the details?

Contact the person who placed the PO initially (details will be quoted on the order) and ask for clarification. If necessary, the original PO can be cancelled, and a replacement issued.

Q10: What should I do if I don't receive a PO?

Contact the person who placed the verbal or email order and ask for a formal PO, or as a minimum, a PO number.

Q11: How do I know that the PO has been approved at the correct level of authority?

POs will only be produced by our corporate finance system once authorised by the appropriate person.

Q12: Will I be paid quicker if I quote a PO number?

The University's standard payment terms for invoices submitted against a PO are 30 days from date of invoice. Invoices may be delayed for payment if conditions exist that lead to the invoice being disputed. (See Q14) However, invoices received without a valid PO number quoted will not be paid and will be returned. This may lead to a delay in the payment process.

Q13: An invoice has been returned requesting a valid PO number must be quoted. How can this be obtained?

You should contact the person who placed the original order instruction and ask them to provide a valid PO number. When obtained you should send a replacement invoice quoting the valid PO number to ***purchaseinvoices@uclan.ac.uk*** as a PDF or mail the invoice to the address provided.

Note, you should cancel the original submitted invoice in your system as the University will have not recorded this in your supplier account in Accounts Payable.

Q14: What should I do if I have sent an invoice quoting a valid PO number and my payment appears to be delayed?

Contact the University's Accounts Payable team on 01772 893800 or email ***apayable@uclan.ac.uk***.

Invoices may be disputed for a variety of valid reasons that may include, but not limited to:
- PO number quoted on invoice is closed or complete

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- PO number quoted does not match the issued PO
- Invoice quantities, description, dates or pricing do not match those on the quoted PO number