



No PO no pay policy

Nigel Leighton

Updated February 2021

Version 1.0



Why we have this policy

Our No PO no pay policy is designed to make sure that all expenditure is properly authorised throughout the organisation, and it's recorded correctly.

Additional benefits of the policy are:

- It enables efficient processing of invoices so that we have a positive payment profile with suppliers.
- Allows accurate timely reporting, budgeting and forecasting of costs.
- Removes potential risk to Sovereign by formally agreeing the terms of engagement before the supplier starts work for us.

Employees' responsibilities

All employees have a responsibility to protect Sovereign's funds and **should**:

- Not commit Sovereign funds without prior issue of an approved purchase order.
- Not request or purchase items for non-Sovereign business purposes.
- Use a Sovereign preferred/approved supplier at all times. All preferred/approved suppliers are set up on Agresso.
- Raise an appropriate purchase order and then pass the purchase order to the supplier.

Retrospective purchase orders

- A retrospective purchase order is recorded when an invoice date precedes the PO date
- We monitor the level of retrospective purchase orders (RPOs) as an indicator on our risk exposure, our adherence to government spending levels and to monitor efficiency in the purchase to pay (P2P) process
- We'll follow up on every occurrence of a retrospective purchase order and we are required to report on them every month

Purchase requisitions

When raising purchase requisitions:

- Make sure the supplier you wish to contract with is set up in Agresso
- The requisition is raised for the net amount of goods and services that you want to purchase (excluding VAT)
- The following number of quotations are attached:
 - Over 1k – 1 supplier quote required
 - Over 10k – 3 supplier quotes required*
 - Over 25k – 3 supplier quotes and procurement involvement*

Once the goods or services have been received you'll need to 'goods receipt' to the value received to ensure prompt payment for when the invoice is submitted

*If you're using a preferred supplier only 1 quote is required up to a value of £50,000

Blanket or Call Off Purchase Orders

- Blanket PO's are used for recurring purchases or where multiple invoices are likely to be received for the order. A blanket order should cover the period for the expenditure but won't cross financial years.
- A new blanket order should be raised to cover any subsequent periods. Whilst blanket orders are useful in avoiding the need for repeated purchase orders, they should be carefully managed to make sure proper levels of controls are maintained and to ensure that there's sufficient value on them to match the invoices
- Contact the procurement team for further support on blanket POs



PO Exceptions

Sovereign will accept an invoice without a supporting purchase order for the following types of expenditure:

- Payments to residents
- Refunds of reservation fees
- External management company fees
- Utilities ie water, energy, council tax, housing benefit refunds, phone tariffs and phone lines
- Planning fees and grant payments
- Invoices produced through Uniclass

Supplier's responsibilities

Invoices

In order for your invoice to be paid as quickly as possible, you must quote the Purchase Order number given to you by the Sovereign employee requesting the goods/services. We can't accept invoices that don't quote a valid PO number.

Our preferred way to receive invoices is electronically via email:
accountspayable@sovereign.org.uk

Otherwise invoices should be addressed to:

Sovereign Housing Association
Sovereign House
Basing View
Basingstoke
RG21 4FA