FINANCE PROCEDURES MANUAL
PROCUREMENT AND PAYMENTS PROCEDURES

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<th>Date approved</th>
<th>10/08/2012</th>
<th>Date Procedure will take effect</th>
<th>24/09/2012</th>
<th>Date of Next Review</th>
<th>24/09/2013</th>
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<td>Approved by</td>
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<td>Custodian title &amp; e-mail address</td>
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<td>Responsible Division</td>
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<tr>
<td>Key References &amp; Legislation</td>
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<td>Audience</td>
<td>Internet – public access</td>
<td>Staff Intranet – UTS Staff Only</td>
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<td>Expiry date</td>
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18/07/2013 – weblinks corrected
02/03/2015 - various updates made
12/09/2015 – various updates made

Hardcopies of this document are considered uncontrolled please refer to UTS website or intranet for latest version
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1 Introduction
The Financial Services Unit (FSU) has the responsibility for overseeing compliance by UTS staff with all
procedures relating to the Purchasing and Procurement of goods and services across UTS. The services
provided by the Finance Services Unit (FSU) include:
- Handling enquiries from staff on matters relating to the Purchasing of goods and services
- Providing detailed guides, tools, and templates for Procurement related activity
- Maintaining procurement related policies, procedures, and directives
- Providing probity advice and assistance to staff undertaking Procurement activities
- Participating in tender project teams and other Procurement related initiatives
- Leading sourcing projects
- Providing access and training to the iProcurement system
- Providing periodic purchasing/expenditure reports to senior management & Internal Audit

2 Scope and Purpose
The aim of this Procedure is to provide UTS staff with an understanding of how to purchase goods and
services on behalf of UTS and outlines their responsibilities when doing so. This directive explains the
Procurement to Pay (P2P) cycle and provides support, guidance and instructions for staff when procuring
and purchasing goods and services. For information on the principles of procurement at UTS please refer to
the “UTS Procurement Policy” located at www.gsu.uts.edu.au/policies/procurement.html

3 Definitions
For the purpose of this Procedure the following definitions apply:

<table>
<thead>
<tr>
<th>Word/Term/Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>iExpenses</td>
<td>The module in the Oracle system (NEO) which manages credit card transactions and the reimbursement of out of pocket expenses.</td>
</tr>
<tr>
<td>iProcurement</td>
<td>An Oracle system (NEO) module where purchase requisitions and purchase orders are raised and approved.</td>
</tr>
<tr>
<td>Procurement</td>
<td>Refers to the method used to select and engage a supplier in compliance with the UTS Procurement Policy and public sector probity requirements</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Refers to the transactional process of ordering goods/services, and the payment to suppliers</td>
</tr>
<tr>
<td>Staff</td>
<td>Refers to anyone (including contractors &amp; consultants) who are employed or otherwise engaged by UTS to undertake any Purchasing or Procurement activity on behalf of UTS</td>
</tr>
<tr>
<td>UTS Financial Delegate</td>
<td>Means a staff member authorised to approve expenditure, as listed in the Standing Delegations of Authority located at: <a href="http://www.gsu.uts.edu.au/delegations/">http://www.gsu.uts.edu.au/delegations/</a></td>
</tr>
<tr>
<td>Value of Procurement Activity</td>
<td>Means the value of a supplier agreement over its entire term. Where an agreement does not exist it means the value of the one-off purchase, or the estimated cumulative annual value of purchase/s with a supplier. Values are GST inclusive.</td>
</tr>
<tr>
<td>Independent Contractor</td>
<td>Means a person, business, or corporation that provides services to UTS under terms specified in a contract or via a verbal agreement. Unlike an employee, they do not work regularly for UTS but work as and when required. Independent Contractors are usually paid on a freelance basis via invoice. They often work through a limited company or franchise, which they themselves own, or may work through an umbrella company.</td>
</tr>
<tr>
<td>Consultant</td>
<td>Means an external person engaged to provide professional or expert advice in a specific field. They have access to deeper levels of expertise than would be feasible for UTS to retain in-house, and are generally engaged on a temporary basis.</td>
</tr>
</tbody>
</table>
4 Procurement Procedures

4.1 UTS Preferred Suppliers

The Strategic Procurement Unit is working to rationalise the number of suppliers used across the university in order to increase UTS’ buying power through key supplier relationships that service the majority of university needs.

An official list of existing UTS Preferred Suppliers is provided on the UTS Buying Guide located at: www.fsu.uts.edu.au/procurement/staff-only/buying-guide-index.html. This list will be continually updated as new arrangements are negotiated.

UTS Preferred Suppliers have been subject to a comprehensive public tender process and are bound under contract to abide by UTS terms and conditions and must meet stringent performance measures.

Staff are required to utilise UTS Preferred Suppliers where they exist.

When using any Preferred Supplier that is listed on the UTS Buying Guide (for the specific products/services indicated) there is NO need to seek alternative quotes/tenders as required by the UTS Procurement Policy because these suppliers have already been subject to formal market testing.

Note: Suppliers which are not listed on the UTS Buying Guide are not to be considered as UTS Preferred Suppliers. Staff wanting to add new suppliers to the official UTS Preferred Supplier list should contact the Strategic Procurement Unit at: procurement@uts.edu.au. Prior to considering the addition of any new supplier the Strategic Procurement Unit will need to review relevant tender documentation to ensure an appropriate process has been undertaken in accordance with the UTS Procurement Policy.

4.2 Methods of Procurement

Where a UTS Preferred Supplier does not exist for a requirement the UTS Procurement Policy should be consulted. Section 5.3 of this policy lists the approved methods of procurement according to the Value of Procurement Activity.

The UTS Procurement Policy can be found at: www.gsu.uts.edu.au/policies/procurement.html

Tools & Templates for Tendering & Quotations

When required by the UTS Procurement Policy to either:

a) undertake an open tender process, or
b) source multiple quotations

staff must utilise the relevant guides, tools, and templates provided at the following webpage: www.fsu.uts.edu.au/procurement/staff-only/form.html (note: UTS Login access required)

These guides ensure due process is followed with regard to probity, transparency, and audit requirements, particularly in relation to the expenditure of public funds. They assist staff in complying with UTS policy whilst encouraging the principles of value for money, open and effective competition, ethical behaviour, risk management, sustainability and responsible financial management.

4.3 Splitting Requirements

Staff must not divide the Value of Procurement Activity into separate transactions for the purpose of bringing it below:

- the threshold value at which additional quotations are required
- the threshold value at which an open tender is required
- the threshold value at which a financial delegation limit applies
Commercial reasons may exist for splitting the Value of Procurement Activity between two or more suppliers, or by placing more than one order with the same supplier. In such circumstances the whole requirement must be approved by the appropriate UTS Financial Delegate for the total value involved.

4.4 Policy Exemptions / Exceptions

When seeking an exemption to the UTS Procurement Policy staff must obtain approval via the relevant exemption form provided at: www.fsu.uts.edu.au/procurement/staff-only/Policy.html (note: UTS Login access required). Such approvals must be obtained PRIOR to engaging with the supplier.

Exemption Forms are available for the following situations:

**Non-Preferred Supplier Approval** – where a buyer has special reason *NOT* to utilise a UTS Preferred Supplier where one exists

**Select Tender Approval** – where a buyer has special reason for inviting only a select number of suppliers to respond to a tender, rather than making the opportunity publicly available to all interested and capable suppliers in the market.

**Direct Negotiation Approval** – where a buyer has a legitimate reason to negotiate an arrangement directly with a single supplier (rather than undergoing a competitive tender/quotation process), despite there being other suppliers in the market who can provide the required goods/services.

Examples of situations where exemptions may be approved are provided in section 5.21 of the UTS Procurement Policy.

If it is clear beyond doubt that there is only one supplier who can supply required goods/services, **Single Source Supplier Approval** (see form) must be obtained.

4.5 New Suppliers

In order to set up any new supplier in the Oracle system (to allow purchase orders to be raised and invoices to be paid) a ‘New Supplier Request’ form must be completed. This form is available at the following webpage: www.fsu.uts.edu.au/forms/UTSNewSupplierRequestForm.pdf

Upon completion this interactive PDF can be submitted electronically to the Strategic Procurement Unit by clicking the ‘submit’ button at the bottom of the form. The Strategic Procurement Unit will undertake a preliminary check to ensure that the request does not conflict with the UTS Procurement Policy and, if approved, will forward the request to the Accounts Payable team who will set the supplier up in the Oracle system within a week. The Accounts Payable team will validate the company or sole trader details against the ABN provided.

All Australian based suppliers are required to provide an ABN. In situations where an Australian based supplier is unable to provide an ABN a ‘Statement by Supplier’ must be completed and forwarded to Accounts Payable.

5 Purchasing Procedures

The mechanism used to purchase goods and services at UTS is driven by cost:

<table>
<thead>
<tr>
<th>Invoice amount</th>
<th>Purchasing method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $2,000</td>
<td>UTS Credit Card/Purchase Order</td>
</tr>
<tr>
<td>Over $2,000</td>
<td>UTS Purchase Order</td>
</tr>
</tbody>
</table>

Staff members who do not have access to a UTS Credit Card must purchase goods/services via a UTS Purchase Order.
5.1 **Purchasing via UTS Credit Card**

Goods and services under the value of $2,000 can be purchased via a UTS credit card. Business related travel expenditure should be purchased on a UTS credit card when possible.

Items which are not permitted to be purchased on a UTS credit card are IT goods and services (see 6.1), the acquisition of Library Resources (see 6.2) or building fit out and furniture (see 6.3).

Assets (items > $5,000) are not to be purchased using credit cards and all expenditure on credit cards should be within an approved budget.

Purchases on UTS Credit Cards must comply with the Vice Chancellor’s Corporate Credit Card Directive which can be found at:


The Vice Chancellor’s directive states in detail all the requirements for the use of credit card. In short the cardholder must:

- Sign the credit card agreement form and return to FSU prior to using the card
- Only use the card for business related expenses
- Acquit all credit card transactions by the 14th day of the following month
- Provide FSU all receipts and supporting documentation for all credit card expenditure
- Surrender the card on or before the last day of employment at UTS

5.2 **Purchasing via UTS Purchase Order**

UTS Purchase Orders are created in iProcurement. Staff should follow the instructions provided in the iProcurement User Guide available at:  www.fsu.uts.edu.au/iprocurement/iproc-userguide.pdf

Access to iProcurement may be granted using the Oracle Financials User Access Form located at:   www.fsu.uts.edu.au/forms/fsu-oracle-neo-useraccess.xlsm

Staff must not commit UTS funds with any supplier without obtaining PRIOR workflow approval in the iProcurement system via the purchase order creation process. Ordering goods/services over the phone, via email, or other such method is prohibited unless written approval is obtained from the Chief Financial Officer.

Excluding the authorised use of UTS Credit Card as described in 5.1 above, the only occasions where goods or services may be purchased other than by UTS Purchase order are listed below:

<table>
<thead>
<tr>
<th>PO Exemption List</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers who only accept credit card as payment (eg: some web stores)</td>
</tr>
<tr>
<td>Staff reimbursements</td>
</tr>
<tr>
<td>Library purchases via Millennium</td>
</tr>
<tr>
<td>Travel related expenditure (airfares, hotels, meals &amp; incidentals)</td>
</tr>
<tr>
<td>Where the only option is to order required goods/services online via a supplier that only accepts credit card payment</td>
</tr>
<tr>
<td>*For unique goods/services such as electricity and gas where it is impossible to obtain a quote and raise a p/o prior to incurring the expenditure</td>
</tr>
</tbody>
</table>

*In such circumstances a UTS Purchase Order must be raised after receiving the supplier’s invoice to ensure proper system records are maintained.*

5.3 **Staff Reimbursements**

Staff who purchase goods or services for legitimate UTS business using their own cash or other resources can be reimbursed through iExpenses.
Staff may only use personal funds to purchase goods and services for UTS for low value goods and services, and where there are no other means available. An example would be when a UTS Credit Card fails to work, or if the staff member is located in an area where credit card facilities are not available and an advance was not organised prior to travelling. These situations should be ‘one off’ in nature and will be monitored by FSU.


Staff members should submit out-of-pocket expense claims within three weeks of the receipt/invoice date. Any reimbursements submitted more than three months after the receipt/invoice date require written justification signed by the relevant Dean, Director or Senior Executive and attached to the expense report.

5.4 Petty Cash

UTS does not encourage the use of petty cash but does allow it for low value items that can’t be purchased through any other means, such as a UTS Credit card or UTS Purchase Order.

For any Petty Cash questions, please contact the FSU Accounts Payable department or review the Petty Cash Procedure and associated forms located at: www.fsu.uts.edu.au/forms/index.html#pettycash

6 Special Category Procedures

6.1 IT Goods and Services

IT related goods and services must be purchased through the UTS IT Purchasing office. IT Purchasing should be contacted at the start of any transaction and their team will assist with the purchasing process, including obtaining quotes and liaising with suppliers.

The IT Purchasing office will ensure new equipment is compatible with existing technologies, and able to be supported. The university has established a Standard Operating Environment and Leasing strategy to assist in minimising technology costs. They will ensure the use of UTS Preferred Suppliers to secure competitive pricing and servicing arrangement, or will otherwise negotiate with suppliers in accordance with the UTS Procurement Policy and its related procedures.

In most cases, IT related goods and services are delivered to the IT Purchasing Office which enables the proper receipt of goods and the collection of any data for warranty purposes and asset tracking. Goods will then be dispatched to the requestor.

The use of university credit cards is not permitted to be used to acquire IT goods and services. Refer to the university credit card policy available at: www.gsu.uts.edu.au/policies/corporatecreditcard.html

For further information about IT Capital purchases please refer to the ‘Property, Plant, Equipment and Intangibles’ procedure. This can be found at the following webpage:


6.2 Library Resources

The purchase of library information resources such as serials, books and publications should be undertaken through the Millennium system by authorised Library staff. All other purchasing within the Library should follow the normal processes described in this document.

For more specific information about the purchase of Library resources, please refer to the ‘Property, Plant, Equipment and Intangibles’ procedure which can be found at:
6.3 Building Fit-outs and Furniture

The purchase of goods and services relating to the building, fit out or furnishing of UTS buildings must be co-ordinated by the Facilities Management Office (FMO). This includes such things as:

- Furniture acquisitions
- Fixed electronic whiteboards
- Building construction and renovation including consulting services
- Trade services such as electricians, plumbers, builders, etc
- Telephone or data cabling

In all cases, FMO will raise the UTS Purchase Order in iProcurement on behalf of the requesting area.

For areas not designated as ‘public space’, faculties and divisions are permitted to purchase loose pieces of chairs and furniture.

6.4 Travel

UTS Travel is covered by the Vice Chancellor’s Travel Directive which can be found at: [www.fsu.uts.edu.au/procurement/travel/travel-dir-guideline.html](http://www.fsu.uts.edu.au/procurement/travel/travel-dir-guideline.html)

Travel Procedures and other travel related information can be found on the FSU Strategic Procurement Unit website located at: [www.fsu.uts.edu.au/procurement/travel/travel-index.html](http://www.fsu.uts.edu.au/procurement/travel/travel-index.html)

All travel is to be booked through the UTS Preferred Suppliers as listed on the UTS Buying Guide at: [www.fsu.uts.edu.au/procurement/staff-only/UTS_Buying_Guide_index.html](http://www.fsu.uts.edu.au/procurement/staff-only/UTS_Buying_Guide_index.html)

Staff are permitted to use an alternative travel agent where they are provided with a comparable quote that is lower by at least 10 percent, and the countries visited have a DFAT security rating less than 3 (‘reconsider your need to travel’).


6.5 Cabcharge

UTS allows the use of Cabcharge vouchers for business related purposes. Cabcharge vouchers can be ordered through FSU upon approval from the Dean or Director.

Faculties and Divisions will receive Tax Invoice Statements on a monthly basis (issued by Cabcharge) and will be required to authorise the expenditure. Delay by Faculties and Divisions will result in late fees levied by Cabcharge and these late fees will be passed on to the individual Faculties and Divisions.


When travelling, the use of a rental vehicle should be considered if significant taxi use is planned. A list of UTS preferred car hire companies (including booking procedures) can be found on the UTS Buying Guide located at: [www.fsu.uts.edu.au/procurement/staff-only/UTS_Buying_Guide_index.html](http://www.fsu.uts.edu.au/procurement/staff-only/UTS_Buying_Guide_index.html)
6.6 **Engaging Independent Contractors and Consultants**

UTS engages the expertise of a range of professional specialists to assist with various requirements across the University. These services are generally obtained from independent contractors and/or consultants (see section 3, ‘definitions’) whenever ‘in house’ resources are not available or it is deemed to be in the project’s best interest to do so.

As UTS is accountable for the expenditure of public funds it is imperative that the selection and appointment of all external contractors/consultants be conducted in a professional and transparent manner.

Prior to pursuing the process of engaging a contractor or consultant staff must first properly determine whether the requirement is for an Employee or Contractor as defined by Australian Tax Laws. The Human Resources Unit (HRU) provides some guidance via the following document:


An ‘Employee V’s Contractor Decision Tool’ is also available at the following webpage:


Once it has been correctly determined that an independent contractor or consultant is required, staff must follow the procedures provided in the relevant Quotation or Tendering Guide provided at:

www.fsu.uts.edu.au/procurement/staff-only/engaging.html

This information applies only to independent contractors & consultants. When engaging any type of labour via a recruitment agency please liaise with the Human Resources Unit about the appropriate process and agencies to use.

7 **Occupational Health & Safety**

Staff members who purchase equipment, materials or chemicals are accountable to ensure that the goods do not present risk of injury or illness to staff, students or others. Refer to the UTS “Health and Safety Pre-purchase Checklist” to check that you have covered all health and safety considerations. These are available at: www.fsu.uts.edu.au/procurement/pdfs/HS_Pre-purchase_checklist.docx

Staff purchasing services must ensure that any contractors working on campus are provided with an induction on general UTS health and safety procedures, and also information on any specific high-risk hazards or work areas they may be exposed to while working at UTS. More information about inducting contractors can be found at: www.safetyandwellbeing.uts.edu.au/contractors/index.html

8 **Sustainability**

Sustainable procurement is defined as ‘a process whereby organisations meet their needs for goods, works and utilities in a way that achieves value for money on a whole-of-life basis in terms of generating benefits not only for the organisation but also to society and economy, whilst minimising damage to the environment’.

The UTS Environmental Sustainability Policy sets the context for sustainable procurement at UTS. The policy states that sustainability principles should be incorporated into all university activities and decision making at all levels.

When buying goods and services, staff must consider:

- Strategies to avoid unnecessary consumption and manage demand;
- The environmental impacts of the goods and services over the whole-of-life of the offering and choosing goods and services that minimise such impacts, especially at end-of-life;
- The supplier’s socially responsible practices including compliance with legislative obligations to employees; and
- Value for money over the whole-of-life of the goods and services, rather than just initial cost.
UTS Preferred Suppliers are assessed for sustainability at the time of selection. Whilst most do not exclusively offer goods and services that could be termed sustainable, many provide more sustainable choices in their catalogues. Buyers should consult any supplier on their range and availability of sustainable goods and services and ask them what sustainability certification the particular offering has achieved if any. A good overview of environmental labels and certification schemes can be found at: www.greenbeings.com.au/tips/eco-labels.aspx

9 Purchasing and Procurement Approval Process

The availability of existing funds within an approved budget, or source of funds, must be established prior to the commencement of any Purchasing or Procurement activity for capital works projects, or the supply of goods and/or services. Purchasing and Procurement activity (including the initiation of that activity) may only be authorised by an officer of the University who has delegated authority from Council, either under Council’s Standing delegations of authority or under a specific delegation from Council. Details of the Register of Standing Delegations can be found at the following website: www.gsu.uts.edu.au/delegations/index.html

For procurement activity valued at more than $1,000,000, while the approval of the relevant authority is required to procure the works, goods or services, the initiation of the procurement activity must be authorised by the Vice-Chancellor.

Important Note: In accordance with point 2 of the Principles in the Standing Delegations of Authority, staff who are responsible for approving purchases must first ensure that the purchase has been made in accordance with UTS Policies & Procedures, in particular the Procurement Policy and this Procurement & Payment Procedure.

10 Payment Process

FSU is responsible for the payment of all supplier invoices within UTS. Payment delays may occur on invoices that do not state an official UTS Purchase Order number. This does not apply to goods or services on the PO Exemption List (see 5.2).

The accounts payable department make payments on a regular basis as per the following table:

<table>
<thead>
<tr>
<th>Payment type</th>
<th>Payment day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic EFT</td>
<td>Every Tuesday</td>
</tr>
<tr>
<td>International EFT</td>
<td>Every Friday</td>
</tr>
<tr>
<td>Domestic cheques &amp; scholarships</td>
<td>Every other Wednesday</td>
</tr>
</tbody>
</table>

Invoices need to be received by the Accounts Payable department by 4:30 PM on Thursday to be paid the following week. The invoices are paid based on the payment terms on the invoice (eg: 7 days payment terms get priority over 30 day payment terms). Invoices will be date stamped and batched upon receipt.

Note: the UTS standard payment terms are 30 days from the date of the invoice. Variations to this will need to be approved by the Shared Service Manager, Finance Manager, or the Chief Financial Officer.

International cheques are only available with the approval of the FSU Shared Services Manager. There are delays in processing international cheques, so it is recommended that all payments are done electronically.

Pre-payments or advance payments are not normally allowed by the University. In circumstances where pre-payment is a condition of purchase, approval by the Shared Services Manager must be obtained.

11 Reporting Maladministration, Corrupt Conduct or Serious Waste

Staff who become aware of any maladministration, corrupt conduct, or substantial waste in relation to procurement activity at UTS can report it under protected disclosure. For more information refer to the ‘Fraud & Corruption Prevention and Public Interest Disclosures Guidelines’ available at: www.gsu.uts.edu.au/policies/fraud-corruption-guideline.html