



**The University of Fiji**

# **FINANCIAL POLICIES AND PROCEDURES FOR THE UNIVERSITY OF FIJI**

**Approved by the University Council -24 May 2014  
Amended by the University Council-5 December 2015  
Amended by the University Council-25 March 2017**



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## INTRODUCTION: FINANCIAL POLICIES AND PROCEDURES

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1. The Financial Policies and Procedures have been prepared to support the University's Financial Regulations and must be read in conjunction. They are subordinate to the Financial Regulations of the University.
2. **Financial Policies** establish the principles and expected standards for controlling and managing the activities of the operational areas of the University.
3. **Financial Procedures** provide more detailed description of the standards required and prescribe precisely how the Financial Regulations/Policies should be implemented when performing specific tasks.
4. These policies and procedures are to be observed at all times. Supervisors/Managers/Heads of Units must ensure that all staff who handle cash, authorize expenditure, or are responsible for other financial matters are aware of these policies and procedures.
5. Where there are any doubts, staff should contact the "Executive Director Finance" for clarification.
6. These policies and procedures to apply to the whole University including commercial areas (such as Bookshop as well as the Cafeteria).
7. The policies and procedures will be reviewed regularly and will be amended as and when necessary.

### ACKNOWLEDGEMENT

- 1) Procurement Policies and Procedures are based on the Procurement Policies and Procedures of the University of the South Pacific.
- 2) Other Financial Policies and Procedures adapted from:
  - the University of the South Pacific
  - selected Universities



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## LIST: FINANCIAL POLICIES AND PROCEDURES

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<b>PURCHASING</b>		<b>PAGE NO.</b>
• FP1	General Purchasing Policies	4-5
• FP2	Delegation of Authority	6-7
• FP3	Purchase Requisition	8-10
• FP4	Purchase Orders	11-12
• FP5	Receipt of Goods and Services	13-14
• FP6	Payment of Invoices	15-16
• FP7	Vendor and Shipping Databases	17-19
• FP8	Orders Cancellation and Close Off	20
• FP9	Open Orders and Follow Up	21
• FP10	Overseas Orders and Customs Clearance	22-24
• FP11	Blanket Orders	25-26
• FP12	Miscellaneous Claim Form	27-28
• FP13	Advance Payments	29
• FP14	Purchase of University Business Stationery	30
• FP15	Requisition from University Bookshop	31-32
• FP16	Travel	33-35
• FP17	Tendering Conditions	36-41
• FP18	Tendering Goods and Services and Construction Project	42-46
• FP19	Selection of Preferred Suppliers	47-48
• FP20	Fixed Assets	49-54
• FP21	Attractive Items	55-56
• FP22	Disposal of University Assets	57-59
• FP23	Stolen/Missing Items	60-61
• FP24	Inventory Control and Stock take Procedures	62-67



## **PROCUREMENT POLICIES AND PROCEDURES**

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### **FP1 General Purchasing Policies**

Policy No: **FP1**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26th May, 2014

#### **1. Overview**

This policy establishes the general guidelines, ethical standards and the relevant legislation for purchasing goods and services for the University.

All purchasing activities are to be operated in accordance with the University's detailed purchasing policy and procedures.

All purchasing policy and procedures are subordinate to and supplement the University's Financial Regulations.

#### **2. Policy**

2.1 The University will strive to uphold the highest standards of ethics in dealings with suppliers and to maintain fair and proper business practice.

2.2 Persons involved with purchasing must maintain a high standard of integrity and impartiality in their business relationships.

They are to guard against any influence which may compromise their independence. Under no circumstances they are to entertain any approach that involves unethical and questionable business practice. They are to exercise their authority to act on behalf of the University, in the best interest of the University and never to take advantage of the individual.

2.3 All purchase orders for the University will be issued by the Procurement Office.

2.4 Purchase orders will only be issued for purchase of goods and services for University use. Under no circumstances University purchase orders are to be issued for acquiring personal items by a staff member or a student, even if the goods are required for their work/study.

2.5 No preference must be given in placement of orders, for any staff member, donor of any gift, or any person associated with the University in anyway.

2.6 If any member of staff or any entity in which he/she has a personal interest, is making an offer or submitting a tender for the supply of goods and services to the University, this must

be declared when making the offer or submitting the tender. He/she should also inform his/her reporting officer of this. [The Registrar's office will maintain a Register of 'Pecuniary Interests'].

2.7 All members of the University staff, or members of any University body or Committee responsible for the selection of suppliers, will maintain a high standard of ethics in this regard, including refusal to accept any gifts, hospitality or personal inducements in any form from current or potential suppliers.

2.8 The following criteria shall apply in the selection of a supplier:

- Product description
- Product quality
- Total price (including terms of trade, associated and future costs such as insurance, servicing and running costs, etc.)
- Timely availability of the product
- Known reputation of the supplier
- Warranty/guarantee
- After sale service

2.9 Any goods or services purchased by the University and the procedure for purchasing them are to comply with the existing Fiji Laws which include:

- Sale of goods
- Consumer Guarantees
- Fair-trading
- Commercial laws
- Occupational Health and Safety Act
- Revenue and Customs
- (any other relevant laws)

2.10 Only in very exceptional circumstances, the Vice Chancellor is authorized to waive or vary any of the procedures outlined in the Purchasing Policy and Procedures document. The reasons for such a waiver/Variation shall be fully documented and in consultation with the Finance Chair and Pro Chancellor.

2.11 [As the University develops], the Procurement Section will have specialists to find preferred suppliers of goods and services, deal with suppliers, deal with travel bookings and negotiate with Fiji Customs etc. [presently such activities are handled by the staff of the general Finance office].



## PROCUREMENT POLICIES AND PROCEDURES

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### FP2 Delegation of Authority

Policy No: **FP2**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document provides information on the responsibility and accountability, and level of authority of each individual, Department/School/Unit for approving expenditure and documents against their Schools/Unit's budget allocation.

The delegation of authority is subject to the Financial Regulations of the University.

#### 2. Policy

2.1 The Dean/Head of Unit as the ultimate budget holder of his/her School/Unit has authority to approve expenditure against their School's/Unit's budget allocation and other financial documents.

2.2 The approval for a purchase to proceed should be given before the purchase is made.

2.3 For audit purposes the 'Receiving Form' (for goods) should be signed by two persons i.e. person signing the approval to purchase and one other person.

2.4 Purchasing documents relating to this policy include:

- Internal Requisition
- Purchase Requisition Form
- Bookshop Requisition Order
- Miscellaneous Claim Form
- Approval to travel Form
- Purchase Order

#### 3. Procedures

3.1 The delegation of authority to approve purchase documents will be in writing and must be forwarded to the Finance Office together with the specimen signature of those authorized.

Specimen signatures of delegated staff should be provided each year to the Finance office.

Executive Director Finance must ensure that the signatures list is complete.

- 3.2 Any claim by a staff member having delegated authority should be counter-signed by the Dean/Head of Unit in respect to payment to the claimant.
- 3.3 Dean/Heads of Unit (Budget Holders) will advise the Finance Office of any acting appointments that involve authority to sign purchasing documents.
- 3.4 The Finance Office will maintain a record of all correspondence relating to the delegated authority or acting appointments and review them on an annual basis.



## PROCUREMENT POLICIES AND PROCEDURES

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### FP3 Purchase Requisition

Policy No: **FP3**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document outlines the policy and procedures on the acquisition of goods and services.

Where required number of quotations cannot be obtained, an acceptable explanation should be provided.

Purchase requisition **is not** to be used as a Purchase Order or sent to the supplier.

#### 2. Policy

2.1 All goods and services for University use must be purchased through the Procurement Office using the Purchase Requisition procedure.

2.2 Only the Procurement Officer, on behalf of the Vice Chancellor has the authority to place orders for goods and services and therefore commit the University to non-salaried expenditure.

2.3 Only staff with appropriate delegated authority has the authority to authorize and sign Purchase Requisition.

2.4 Only the Procurement Section is authorized to negotiate the terms of agreement for the supply of goods and services on behalf of the University (with the exception of consultancy work).

2.5 All goods and services of value up to \$500 will require only one quotation. Goods and services of more than \$500 but less than \$5,000 in value will require two (2) competitive quotations. Purchases of goods and services of this value will be approved by the Vice-Chancellor.

- 2.6 Goods and services of more than \$5,000 but less than \$10,000 will require three (3) quotations. Purchase of goods and services to this value must be authorized by the Vice-Chancellor.
- 2.7 Goods and services valued at more than \$10,000 but less than \$20,000 must be referred to the Chair of Council for approval. The Chair of Council will consult the Chair of Finance Committee as appropriate. Three (3) quotations will be required.
- 2.8 Where the required number of quotations is not obtainable, an explanation acceptable to the Vice-Chancellor/Chair of Council, is to be provided.
- 2.9 Any item of value of \$20,000 or more will not require to be tendered if:
- the item is a specialized good or service and the minimum requirement for quotations cannot be met. In this case quotations available and request to waive the normal purchasing procedures can be used to purchase the specialized goods or services.
  - the goods/services can be purchased through an existing contract with a preferred supplier. This must be authorized by the Vice-Chancellor/Chair of Council with the advice of the Executive Director Finance.
- 2.10 Any Purchase Requisition with a total value of \$20,000 or more that do not meet the requirements in 2.9 above, require open or selective tender.

### **3. Procedures**

- 3.1 Where a School/Unit requires goods and services for University use, a Purchase Requisition is to be raised. The Purchase Requisition form is to be completed which should include the following details:
- Budget line including amount spent against budget to date.
  - Date Purchase Requisition raised.
  - Complete description of the goods and services required, including generic name, brand and specification.
  - Details of quotations (attach quotations) including reasons for preference for a particular quotation and where the required number of quotations are not obtained, acceptable explanation to be provided. Only acceptable explanation will be that there are no required no. of suppliers for specialized goods/services.
  - For capital equipment, if it is a replacement for an existing one, a “Disposal Form” to be completed and submitted with the Purchase Requisition Form.
  - Quantity required and rate/item price, if known.

- Name of suggested supplier (must be from the list of preferred suppliers', if a new supplier, vendor registration form to be completed by the new supplier and submitted to the Procurement Office).
  - Name of School/Unit
  - Delivering address for goods
  - Required delivery date.
- 3.3 Only staff with delegated authority may approve/sign the Purchase Requisition.
- 3.4 Three copies of Purchase Requisition is to be completed and submitted as follows:
- Original plus a copy to the Procurement Office together with the quotations received and other relevant documentation.
  - Third copy to be retained in the School/Unit.
- 3.5 On receipt of the Purchase Requisition, the Procurement Office will:
- verify the authorizing signature and that it has the authority to approve the Purchase Requisition.
  - check the vendor is registered. Any new vendor to complete the Vendor Registration Form and submit the same with relevant documents to the Procurement Office.
  - check for all supporting documentation and whether it is according to the University's purchasing policies.
  - ensure that the items to be purchased are necessary.
  - check if the items are covered by the agreements made with the supplier by the University.
  - determine appropriate payment terms.
- 3.6 Once Procurement Section is satisfied that the Requisition is in order, the Purchase Requisition will be signed by the staff delegated this responsibility.
- 3.7 Once Purchase Requisition is approved, the Purchase Order will be prepared by the Procurement Section.
- 3.8 Original Purchase Requisition is to be retained in the Procurement Section and copy forwarded to Finance Office.

## FORMS



## PROCUREMENT POLICIES AND PROCEDURES

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### FP4 Purchase Orders

Policy No: **FP4**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

### 1. Overview

These policy and procedures relate to the placing of official University purchase orders for the purchase of all goods and services for the University.

### 2. Policy

2.1 Only the Procurement Officer may issue Purchase Orders for goods and services for the University and thereby commit the University to non-salaried expenditure.

The Purchase Order is the contract document for the supply of goods and services.

2.2 No Purchase Order may be raised without it satisfying the purchasing policies for obtaining quotes and tendering with the objective of getting the maximum value for money.

2.3 No telephone orders are allowed.

### 3. Procedures

3.1 Once one of the quotations has been selected and a Purchase Requisition authorized by the Vice Chancellor for processing, a Purchase Order will be generated using the information provided in the Purchase Requisition.

3.2 The Purchase Order is to be checked carefully against the Purchase Requisition and any covering document, and what has been authorized (3.1 above).

3.3 The Purchase Order will then be forwarded to the Procurement Officer for signing.

3.4 The Purchase Order will have 4 copies and distributed as follows:

- white (original) copy sent to the Supplier.
- green copy retained in the Finance Office.
- yellow copy to the originating School/Unit for records.
- pink copy kept in the Purchase Order Book.

Where the order is for the purchase of a fixed asset, a fixed asset register form must accompany the green copy.

A photocopy of the Purchase Order is also to be made for any order for fixed assets and kept in the Procurement Section/Finance Office files on Fixed Assets.

## **FORMS**



## **PROCUREMENT POLICIES AND PROCEDURES**

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### **FP5 Receipt of Goods and Services**

Policy No: **FP5**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This document outlines the policy and procedures for receiving goods/services. The suppliers should send all their invoices (which must quote the relevant University Purchase Order No.) directly to the Procurement Officer.

Any invoice received by the School/Unit should be forwarded immediately to the Finance Office.

#### **2. Policy**

2.1 The School/Unit will certify receipt and acceptance of goods and services on a Receiving Voucher/delivery docket and will approve the payment.

This advice will be sent to the Finance Office using the Receiving Voucher.

2.2 All invoices are to be received and retained in the Finance Office. They will only be paid when the receiving voucher has been submitted by the School/Unit.

2.3 The Receiving Voucher is to have two signatures:

- one to certify receipt and acceptance of goods and services and
- the other to approve payment
- only those staff with proper delegated authority may authorize the payment
- there shall always be two different authorized signatures.

#### **3. Procedures**

3.1 The Receiving Voucher is to be prepared by the Finance Office and sent to the School/Unit to complete, authorize payment and return to the Finance Office. In the case of a fixed asset, a Fixed Asset Register Form is to accompany the Receiving Voucher.

### 3.2 Complete Delivery:

On receipt of goods or services, the School/Unit is to complete the receiving details on the Receiving Voucher and send it to the Finance Office with supporting documentation such as a delivery docket.

### 3.3 Partial Deliveries:

-On partial receipt of goods and services, the School/Unit will complete a Partial Receiving Form, providing details of the items received.

The Form should then be sent to the Finance Office.

-Once all the items listed in the Purchase Order has been received, the Receiving Voucher shall be completed and sent to the Finance Office.

3.4 All goods received are to be entered on to goods received document (or electronic receipting system when this is developed) on the day the goods are received. If the goods are found to be unsatisfactory, the record should be so marked and the supplier to be advised immediately and the goods returned to the supplier. If the goods delivered are less than the quantity ordered, the record should be so marked and supplier informed immediately.

3.5 The Goods/Services Receiving Voucher and the delivery docket will be reconciled by the Procurement Services or the receiving School/Department with the actual Purchase Order. At the same time, the invoice from the supplier is to be reconciled with the quotation by the Procurement Section.

3.6 The quotations, copy of purchase order, delivery docket and copy of invoice is to be attached together, reconciled and filed in the creditors file in alphabetical order.

3.7 On receipt of the statement from the supplier, it is to be reconciled with the invoices kept in the creditors file and then filed together.

3.8 Payment to the supplier will be made by the Finance Office.

## FORMS



## PROCUREMENT POLICIES AND PROCEDURES

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### FP6 Payment of Invoices

Policy No: **FP6**

Responsibility: Procurement Officer

Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document outlines the policy and procedures relating to the payment of goods and services. Only staff with appropriate delegated authority can authorize payment for goods and services.

#### 2. Policy

- 2.1 All payments for goods and services are to be made on the basis of a Purchase Order raised before the supply (of goods and services) and the subsequent receipt of an invoice.
- 2.2 All invoices should be forwarded to the Finance Office for payments to be processed. Suppliers should be informed by the (Budget Holders) to send the invoices for goods/services to the Finance Office.
- 2.3 No payment is to be made until a completed Receiving Voucher has been received from the School/Unit. Advance payment may be made without the Receiving Voucher if approved by the individuals with appropriate delegated authority (i.e. Vice-Chancellor).
- 2.4 The terms of payment in accordance with the contract with the suppliers' can only be set by the Procurement Section.

#### 3. Procedures

- 3.1 All payments for goods and services are to be made by the Finance Office.
- 3.2 When the goods or services have been received and are acceptable the School/Unit will complete the Receiving Voucher or 'Partial Receiving Form' and send to the Finance Office.
- 3.3 Only the invoices that have been certified for payment by the individual (i.e. Budget Holder) with the appropriate delegated authority to do so shall be processed for payment.

Certification of an invoice is required as confirmation of:

- *Goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.*
- *Its match to the order.*
- *Invoice details (quantity, price, any discount etc.) are correct.*
- *The amounts on the invoice are correct.*
- *The invoice has not previously been passed for payment.*
- *Where appropriate, an entry has been made on inventory record*

3.4 The Finance Office will match the Receiving Voucher and Purchase Order, and arrange payment in accordance with the terms indicated on the order.

3.5 Payment Processing:

- 3.5.1 When the payment, is to be made to a particular creditor on a credit term basis, the creditor's particulars from the creditor's file will be removed and the payment processed.
- 3.5.2 Each payment is to have a pre-numbered payment voucher and a paid stamp on it to verify that the invoices are paid by the particular cheque number.
- 3.5.3 The payment voucher will be in duplicate, numbered and must be authorized by the staff member delegated this authority (**Executive Director Finance**).
- 3.5.4 The paid stamp will have a provision for "paid, cheque number and date" on it for verification purposes and to avoid, duplication of payment on the same invoice.
- 3.5.5 Finance Office will ensure that the payment voucher has the correct account allocation on it from the invoice, so that when the payment journal is processed correct posting is being made to respective account.
- 3.6 Payment shall be by cheque, posted to the supplier with a Remittance Advice, giving details of the Purchase Order, Invoice Number and amount being paid.
- 3.7 Payment Voucher/Remittance Advice will be filed with the invoices and other relevant documentation in the Finance Office (according to the Voucher No. or Cheque No. Sequence)
- 3.8 When the bank statement is received it will be checked to verify that the cheque presented by the supplier to the bank has the same amount as the amount on the cheque issued to the supplier.

## FORMS



## PROCUREMENT POLICIES AND PROCEDURES

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### FP7 Vendor and Shipping Databases

Policy No: **FP7**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document contains the policy and procedures for maintaining vendor records by the Procurement Section. It includes general suppliers, farmers and shipping companies.

#### 2. Policy

2.1 Vendor and shipping databases will be maintained by the Procurement Section.

2.2 Any additions/deletions to the databases will be made by the Procurement Section only.

2.3 Procurement Section is responsible for updating the records regularly and is to especially ensure to delete records of suppliers not being used.

#### 3. Procedures

##### 3.1 General Supplier's Vendor Database

3.1.1 Any new vendor being considered for supplying goods and services to the University will be sent a Supplier Details for Goods and Services form to complete.

3.1.2 The Vendor will supply the following details on the form:

- Full Business Name of the Supplier
- Location of Business
- Type of goods and/or services supplied
- Years of operation of business
- Names and contact details of their three main customers

- Official business, postal and email addresses
- Name(s) of the main contact person(s) at the business
- Details, if the owner or his/her staff is related to any staff member of the University of Fiji.
- If the owner is a staff member, or member of Council of the University of Fiji
- If currently, there is any business arrangement with the University of Fiji
- Vendor's preference for payment method.
- Name and address of bank of the vendor
- Whether registered as a business (if so, attach copies of business registration, current business license and tax identification number)

### 3.2 Farmers' Vendor Database

3.2.1 Farmers proposing to supply to the University will complete Farmers Details form providing the following information:

- Name of Farmer
- Farm Location
- Farm Size
- List of vegetables/crops produced by the farm
- Years of operation of the Farm
- Method of delivery used by the Farmer
- Details, if the farmer is related to any staff member of the University of Fiji
- If the owner is a member of staff or Council of the University of Fiji
- Whether farm registered as business (if so, attach copies of business registration, current business license and tax identification number).

3.3 The owner (or the person managing the business) of the business/farm is to sign the form and forward to the Procurement Officer.

3.4 Details of the receipt of form is to be recorded by the Procurement Section. Comments should be provided on the suitability of the vendor and signed by the Procurement Officer. The form is to be then endorsed by the Executive Director Finance.

3.5 Where a vendor is approved, details are to be entered on the Vendor Database and a Vendor number given.

3.6 Vendor Details Forms are to be maintained on a file in the Procurement Section.

3.7 Where changes to Vendor details are necessary, they will be made on the database. Details of any changes made are to be kept in the Vendor Details file.

3.8 Every 12 months, Procurement Section will check the list of vendors and determine who

have not been used in the last 24 months. Their names will then be deleted from the Database.

#### **4. *Shipping Database***

4.1 If a new shipping address or change to an existing address is required, Procurement Section will effect the change on the Database.

#### **FORMS**

**Vendor Details for Goods and Services**

**Vendor Details for Farmers**



## PROCUREMENT POLICIES AND PROCEDURES

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### FP8 Orders Cancellation and Close Off

Policy No: **FP8**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

Cancellation of orders apply to goods or services that have not been received or which are no longer required by the School/Unit.

#### 2. Policy

Cancellation or closing off of orders may only be authorized by the Executive Director Finance.

#### 3. Procedures

##### 3.1 Cancellation

3.1.1 Where a Purchase Order needs to be cancelled, the School/Unit will advise the Procurement Section in writing giving details with reasons for the cancellation.

3.1.2 On receipt of the written advice, the Executive Director Finance will approve the cancellation. Records will be updated on the computerized Finance System when set up or manually until then.

3.1.3 Procurement Section will advise the supplier of the cancellation, at the same time.

##### 3.2 Orders Close-Off

When an order is completed and all goods or services under that order has been received, the Procurement Section will advise the Finance Office in writing, to close-off the Purchasing Order.

#### FORMS

##### Purchase Order



## PROCUREMENT POLICIES AND PROCEDURES

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### FP9 Open Orders and Follow Up

Policy No: **FP9**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

Open orders are incomplete orders – orders that have not been processed and payment not made for them. This may be due to: non-delivery of goods or services, or non-receipt of invoice from the suppliers, or pending invoice payment (or non-payment) approval.

#### **2. Policy**

2.1 Procurement Section is responsible for follow-ups on open orders for delivery and invoicing.

2.2 The Finance Office is responsible for following up on open orders for which invoice has been received but not paid.

#### **3. Procedures**

3.1 Staff in the Procurement Section responsible for buying (goods or services) are to note of delivery expected for each order they have raised and follow up with the supplier as necessary.

3.2 Procurement Section will send to each School/Unit a report of all their open orders each month. Each School/Unit must check the report and return it to the Procurement Services with a note on the status of each order on the report.

3.3 Procurement Office will then follow up on the matter of delivery of goods and invoice with the supplier.

3.4 Finance Office is responsible for following up on the return of the Receiving Voucher for the goods that have been received with the School/Unit.



## PROCUREMENT POLICIES AND PROCEDURES

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### FP10 Overseas Orders and Customs Clearance

Policy No: **FP10**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This document outlines the requirements for the purchase of goods and services from overseas suppliers and the related customs clearance procedures.

#### **2. Policy**

- 2.1 Purchases of goods and services from overseas suppliers can be made through a Purchase Requisition and Purchase Order.
- 2.2 Schools/Units may make a request for the purchase of goods and services from overseas suppliers to the Procurement Section using the Purchase Requisition Form.
- 2.3 Customs clearance of goods purchased from overseas will be managed and controlled by the Procurement Section.
- 2.4 Purchase from an overseas supplier may be made only if quality is competitive or the goods and services are unavailable in Fiji.

#### **3. Procedures**

- 3.1 Schools/Units requiring goods and services from overseas suppliers will raise a Purchase Requisition and will follow the procedures in document FP3.
- 3.2 The Purchase Order is to be faxed to the supplier together with the request on delivery details and the original to be sent by post.
- 3.3 A copy of the Purchase Order will be kept in an Overseas Order File maintained by the Procurement Section.

3.4 Any documentation received from the supplier is to be retained with the copy of the Purchase Order.

3.5 On receiving advice of the arrival of goods or shipping documents, the Purchasing Section will prepare the following documentation:

- A Customs Clearance Order (numbered in a sequence), requesting the Customs Agent to clear the goods.
- A Customs Concession Declaration that the goods are for University use and requesting for duty-free entry.
- Part B of the Customs Declaration C45.

These forms together with the original copies of any shipping documents are to be sent to the Customs Agent.

(Note: duty free clearance applies only if the goods comply with concession 223 of the Customs Tariff).

3.6 After the goods are cleared, they will be delivered to the Department/School/Unit by the Customs Agent, who will then invoice the University all the charges for this delivery.

3.7 On receipt of the goods, the Department/School/Unit will complete the receiving copy of the Purchase Order and send it to the Finance Office.

3.8 The invoice will be checked by the Procurement Section and sent to the Finance Office for payment.

## **FORMS**

**Customs Clearance Order**

**Customs Concession Declaration**

**Part B of Customs Declaration C45**

**Purchase Requisition Form**

**Purchase Order**

## ***Attachment to Procedures FP10***

### **CUSTOMS TARIFF CONCESSION 223**

The terms of this concession is:

- (a) That the goods are solely for the use in teaching (including physical training) of students or for the use in a research programme.
- (b) That the goods are for the official use of the approved organization, are not intended for sale or to be otherwise disposed of and are to be used exclusively for purposes for which the concession is granted.
- (c) That the disposal or use of goods for purposes other than that for which the concession is granted be subject to the conditions laid down in Section 17 of the Customs Tariff Act.
- (d) That the concession be subject to such other conditions as the Comptroller may impose.

Section 17 of the Customs Tariff Act.



## **PROCUREMENT POLICIES AND PROCEDURES**

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### **FP11          Blanket Orders**

Policy No:          **FP11**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

A Blanket Order is an order issued to a specific supplier for purchase of goods and services for a specific period of time and for a limited value.

#### **2. Policy**

2.1 Blanket orders are only to be raised for a specific period of time generally not exceeding one year and for a limited value.

2.2 Only the Vice-Chancellor may authorize blanket orders.

#### **3. Procedures**

3.1 When a blanket order is required the department/school/unit will raise the Purchase Requisition specifying the time period and the amount to be committed. Purchase Requisition is to be sent with the relevant details/documentation to the Procurement Office.

3.2 Procurement Section will verify the contract details and the terms which will then be submitted to the Vice Chancellor for authorization of the blanket order. The Vice Chancellor will sign, on behalf of the University the term contract (i.e. agreement between the University and the Supplier) at the same time the Procurement Section will raise the Purchase Order following the normal procedure (refer to Policy FP4).

These documents will be sent to the supplier who will return one signed copy of the term contract to the Procurement Officer.

3.3 Where required the tendering procedure will be followed. (Refer to Policy FP18).

- 3.4 The supplier will raise invoices as they supply the goods or services, quoting the University's order number. The normal receiving and payment authorization procedures are to be followed.
- 3.5 The supplier shall not supply any goods and/or services the total amount of which exceeds the amount specified on the order, or after the time period indicated on the order.
- 3.6 At the end of the period fixed (on the order/term contract), the Procurement Services will advise the Finance Office to close off the order.
- 3.7 With respect to any project, the Project Manager shall advise the Procurement Office at the end of the time period to close the order or to extend for a further specified time period. The Procurement Section will then inform the Finance Office to close off the order or get the extension authorization, if appropriate, from the Vice Chancellor.

## **FORMS**

**Purchase Requisition**

**Purchase Order**

**(Term Contract Document)**



## **PROCUREMENT POLICIES AND PROCEDURES**

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### **FP12            Miscellaneous Claim Form**

Policy No:        **FP12**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

### **1. Overview**

This document provides the policy on the expenses that can be incurred and reimbursed as miscellaneous. Expenses that fall into the category include:

- money advanced for acquittals
- official travel/transport costs (including field trips)
- reimbursement to new staff members for airfares, accommodation and meals
- allowance for research assistants
- honorarium payments

Miscellaneous claims can only be approved by the Vice-Chancellor.

### **2. Policy**

2.1 A Miscellaneous Claim Form is to be used for reimbursement of miscellaneous expenditure incurred by a staff member.

2.2 Miscellaneous Claim Forms can only be approved by the Vice-Chancellor.

2.3 Miscellaneous Claim Form is not to be used for claims such as medical, meal allowance, motor mileage or per diem, for which separate forms are available.

2.4 A Miscellaneous Claim Form must not be used for purchase of goods and services for which a Purchase Order is required.

### **3. Procedures**

- 3.1 A staff member incurring miscellaneous expenditure, which is to be reimbursed, must complete a Miscellaneous Claim Form which has to have the proper authorization (by the authorized signatory i.e. staff member's School Dean/Head of Unit).
- 3.2 All claims for payments must be supported by valid documentation which should clearly state the purpose of the expenditure. This is to ensure that there is no personal benefit to the staff member making the claim.
- 3.3 The authorized signatory authorizing the claim must ensure that complete and valid documentation accompanies the claim and he/she must also be satisfied that the claim made is for costs incurred for university-related business only.
- 3.4 All claims for payment must be submitted within three months of the expenditure incurred. Claims submitted after 3 months or where the expenditure cannot be recorded in the accounts for the appropriate financial year of the University, will not be reimbursed.
- 3.5 The claim form with the relevant documents is to be submitted to the Vice-Chancellor for approval, after which the form together with the supporting documents is to be forwarded to the Finance Office for processing and payment.

#### **FORMS**

- Meal Allowance Claim Form**
- Medical Expense Claim Form**
- Miscellaneous Claim Form**
- Motor Mileage Claim Form**
- Per Diem Claim Form**



## PROCUREMENT POLICIES AND PROCEDURES

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### **FP13          Advance Payments**

Policy No:          **FP13**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This document covers the policy on Advance Payment of goods and services before actual delivery.

#### **2. Policy**

Full or partial payment of Purchase Orders before goods/services are actually delivered to the University must be approved by the Vice-Chancellor.

#### **3. Procedures**

- 3.1 Where the supplier requires full or partial payment in advance, the Purchase Requisition must be clearly marked "Advance Payment Required".
- 3.2 The requisition together with any supporting documentation including the request for \_\_\_\_\_ advance payment form should be forwarded to the Procurement Section.
- 3.3 Procurement Section will assess the requirements for advance payment and then process the Purchase Order and Advance Payment.
- 3.4 The supplier's copy of the Purchase Order together with completed Advance Payment form, invoice and any other documentation is to be sent to the Finance Office for payment.
- 3.5 Procurement Section is to maintain a record of all Advance Payment orders for a follow-up on delivery.
- 3.6 At the end of the year, a report of all goods and services on orders not yet delivered must be sent to the Finance Office for the end of the year accounts.

#### **FORMS**

**Requisition Forms**

**Purchase Order**

**Request for Advance Payment Form**



## **PROCUREMENT POLICIES AND PROCEDURES**

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### **FP14 Purchase of University Business Stationery**

Policy No: **FP14**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This policy relates to acquisition of University business stationery which include letterheads, memo pads, fax coversheets, business cards etc. Only staff with appropriate delegated authority can authorize the acquisition of business stationery.

#### **2. Policy**

- 2.1 All business stationery including letterheads and business cards should be according to the standard format/style set by the Registrar.
- 2.2 Arrangements to obtain business card must be made through the Procurement Section.
- 2.3 All business stationery is to be purchased through the Procurement Services.

#### **3. Procedures**

- 3.1 The Registrar is to set the standard format for University business stationery, which will be communicated to all Schools/Units.
- 3.2 Schools/Units are to follow the University's Purchasing Policy and Procedures for obtaining University business stationery.

#### **FORMS**

**Purchase Requisition**

**Purchase Order**

**Style Guidelines**



## **PROCUREMENT POLICIES AND PROCEDURES**

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### **FP15          Requisition from University Bookshop**

Policy No:          **FP15**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This policy relates to the internal acquisition of goods. They include stationery, consumables, books and other items available in the University Bookshop. Only staff members with proper delegated authority may authorize the Bookshop Requisition Order for goods to be acquired from the University Bookshop.

#### **2. Policy**

2.1 The Bookshop Requisition order is to be used for obtaining goods from the Bookshop.

2.2 The Bookshop Requisition order is not to be used as a means for obtaining goods from outside suppliers.

2.3 A replacement Bookshop Requisition order will only be issued when the previous book is returned to the Finance Office with all the file copies intact.

#### **3. Procedures**

3.1 There will be a staff member designated within each School/Unit authorized to obtain items required by staff members within that School/Unit, for their university-related work.

3.2 Where staff members require any items from the University Bookshop, they will submit their list to the designated person in the School/Unit.

3.3 The Bookshop will issue these goods once a week on a designated day.

3.4 The designated staff member will complete the Bookshop Requisition order and have it approved by the relevant Head of Department and School Dean/Head of Unit.

3.5 The designated staff member will take the Bookshop Requisition Order to the Bookshop. On issue of the items, the designated staff of the School/Unit will sign the Requisition Order as received.

3.6 The staff in the Bookshop will take the first 3 copies of the Bookshop Requisition Order:

- original white copy to be returned to the School/Unit ordering the items, after the costs have been entered.
- green copy to be sent to the Finance Office for funds transfer.
- yellow copy to be filed in the Procurement Services.
- pink copy to be retained in the Requisition Order Book kept by the School/Unit.

## **FORM**

### **Bookshop Requisition Order**



## PROCUREMENT POLICIES AND PROCEDURES

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### FP16 Travel

Policy No: **FP16**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This document covers the policy on staff travel on university business or approved leave. Travel on University business includes conferences, sabbatical leave, and leave for training purposes or other official business travel that has been approved by the Vice-Chancellor.

#### **2. Policy**

- 2.1 Staff proceeding on a conference or sabbatical leave are to complete the appropriate conference/sabbatical leave form prior to completing the 'Travel on University Business' Form.
- 2.2 The Procurement Section is responsible for the ordering of the ticket and subsequent authorization of payment to the travel agent.
- 2.3 The University will have preferred travel agents who will be selected through a tender process and approved by the Tender Board (refer to procedure FP17).
- 2.4 The performance of the travel agents will be assessed by the Procurement Officer three months prior to the expiry of their contracts with the University.

#### **3. Procedures**

- 3.1 The booking for travel for any staff member travelling on University business will be made by the Procurement Section.

3.2 The staff member will complete a 'Travel on University Business' Form providing following details:

- staff member's name, employment number, department and School/Unit
- details of travel – purpose, destination, proposed date of the journey from Fiji and return date, approval for the travel given and by who
- number of days of per diem required and funds sought from the University for any other expenses (e.g. conference fee if the travel is conference-related)
- funds available from external sources if any (and amount) for any aspect of the travel.

3.3 Staff member will sign and date the form and forward it to the School/Unit Administration Office. Funding codes to be used will be noted on the form and signed by the fund controller and the staff member's Head of Department/School Dean/Head of Unit (if different from the Fund Controller).

3.4 The form should be forwarded to the Procurement Section. They will check the details on the form and that the required documents are attached. The form will then be sent to the Vice-Chancellor for approval.

3.5 Procurement Section will then make the travel arrangements. It would record the following details from the itinerary emailed by the travel agent.

- name of travel agent and airline/s being used
- flight numbers, date and time of departures and booking reference
- cost of the airfare

3.6 Procurement Section will issue a Travel Warrant (LPO) to the Travel Agent to supply the ticket/s. The Travel Warrant which will contain the following information will be approved by the Vice Chancellor:

- name and address of the Travel Agent
- type of ticket to be purchased
- name of staff member travelling, telephone contact of the staff member
- summary of the itinerary
- cost limit in Fiji dollars which cannot be exceeded
- instruction to the Agent that no variation to the itinerary is allowed, without the University's approval.

3.7 The Travel Warrant is distributed as follows:

- original to the Travel Agent
- copy to the Finance Office
- copy to be kept in the Procurement Section

3.8 Travel on University business form is to be distributed as follows:

- original kept in the Procurement Section
- copy to the School/Unit where the staff member works
- copy to the Registrar's Office (H. R. Section)

3.9 Procurement Section will maintain a file of all the Travel Warranty with all the relevant documentation, in numerical order.

3.10 The Travel Agent will arrange for the ticket to be delivered to the University Procurement Section or it will be collected by the staff member, and will forward the invoice to the Finance Office.

3.11 Payment to the Travel Agent will be made by the Finance Office within the time period specified in the invoice from the Agent.

3.12 Procurement Section will check the invoice against the travel warrant and other documentation in the file for accuracy before submitting it to the Executive Director Finance for payment approval.

3.13 Procurement Section will keep a copy of all the invoices in a separate file and forward the original to Finance Office for the processing of payment.

## **FORMS**

### **Travel on University Business**

#### **Travel Warranty**



## PROCUREMENT POLICIES AND PROCEDURES

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### FP17 Tendering Conditions

Policy No: **FP17**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document sets out conditions for the tendering of all construction projects and facilities service contracts. These tendering conditions do not apply where goods and services exceed \$20,000, but where:

- (a) contracts with Preferred suppliers exist, and the goods or services can be obtained directly from Preferred suppliers, on the authorization of the persons delegated this authority.
- (b) Quotations are available from suppliers of specialized goods or services, although the minimum quotation requirements may not be met.

Purchase orders with a total value of \$20,000 or more which do not meet the above conditions for preferred suppliers or specialized goods and services must be either open or selectively tendered.

#### 2. Policy

##### 2.1 Registration of Tenderers

- a) The tenderer in the tender submission should provide to the University evidence of their ability to complete the contract in accordance with the standards required by the University, which should include descriptions of previously completed contracts and their financial ability to undertake the contract being tendered for.
- b) For specific works and contracts, the University may call for expressions of interest from suitable companies/individuals and will maintain a list of registered preferred suppliers. Such a list is to be reviewed on a regular basis.

- c) The University reserves the right to reject a particular tender or all tenders if the Tender Board or Tender Sub-Committee determines that they are unsuitable to undertake the contract.

## 2.2 **Cost of Tendering**

All costs associated with the preparation and submission of a tender shall be borne by every tenderer. The University will have no liability for any of those costs.

## 2.3 **Site Visit**

- a) The tenderers are presumed to have visited and examined the site of the works for the preparation of the tender and entering into a contract agreement. Tenderers shall be held to have taken into account site conditions that may affect the execution of the works in their tender.
- b) Tenderers or any of their agents will be granted permission by the University to enter the site of the works for the purposes of an inspection, on the express condition that the tenderers indemnify the University against all liability in respect of the site visit and shall be responsible for personal injury, loss or damage to property and any other loss, damage, costs and expenses however they may be caused.

The interpretation of all information obtained by tenderers during site visits and which information may affect the terms and conditions of the contract, is the sole responsibility of the tenderers.

The tenderers shall meet all costs incurred by them in visiting the site of the works.

## 2.4 **Tender Documents**

Tenders shall be received and placed in the sealed Tender Box provided at the location noted in 2.5. Tenders received after the specified deadline or delivered other than to the location in 2.5 will not be accepted.

## 2.5 **Tender Lodgement**

- a) Tenders must be properly secured and sealed. The outer envelope is to be clearly marked with the name of the Project for which the tender is submitted, the Tender Number, Closing Date and address to:

The Procurement Officer  
The University of Fiji  
Tender Box – Procurement Office  
Saweni  
Lautoka

- b) Tenders will be received only at the location specified in 2.5(a) above.
- i. The original and one copy of the tender, marked “Original”, “Copy”, must be sealed in the outer envelope. The envelope must be addressed in accordance with the above and should have the name and address of the tenderer for return unopened, if it is declared to be late and not acceptable for consideration.
  - ii. Each tenderer must submit tender which fully complies with the tender documents, with completed schedules and information required on the tender form.
  - iii. Tender documents must be returned intact to the University at the time of submitting tenders. Tenders received other than in accordance with the requirements of section 2.5, will be deemed invalid.
  - iv. The tenderer, in submitting a tender, acknowledges that they have complied with all conditions of tendering as indicated in the tender documents, which are the contract documents as listed in the specifications.
  - v. If the tenderer become aware of any discrepancy, error or omission in the tender document submitted, and the tenderer wishes to submit an amendment, such amendment must be in writing and addressed to the Registrar for receipt by the specified closing time.
  - vi. The lowest or any tender will not necessarily be accepted.
  - vii. Tenderers shall complete and sign all schedules and lodge these together with their tender.
  - viii. All tenders that comply with the tender documents remain the property of the University.
  - ix. Tenderers will be responsible for all costs associated with the attendance of their company representatives as may be required during the tender assessment phase for discussion or negotiations with the University.
  - x. Any tender enquiries must be made to the Registrar or the contact person mentioned in the tender document.
  - xi. Tenders shall be opened as soon as possible after closing time.

## 2.6 Tender Clarification

- A prospective tenderer may write or send a facsimile to the University for any clarification of the tender documents. The University will respond in writing to any such request if it is received within five (5) days before the specified deadline. Written copies of the University's response (including an explanation of the enquiry) but without identifying the source of the enquiry) will be sent to all prospective tenderers. Written requests for clarification together with the University's response will form part of the contract document.
- At any time before the closing date for the submission of tenders, the University may, whether at its own initiative or in response to a clarification requested by a prospective tenderer, modify and amend the tender documents.
- The amendment will be sent in writing or by facsimile to all prospective tenderers and will be binding on them. Prospective tenderers must promptly acknowledge receipt of the same by facsimile to the University.
- Failure to acknowledge receipt of the amendment may result in the rejection of the tender.
- In order to give prospective tenderers reasonable time to take an amendment into account in preparing their tender, the University may, at its discretion, extend the deadline for the submission of tenders. All amendments will form part of the contract documents.

## **2.7 Tender Validity Period**

- The tender shall remain valid for a period up to thirty (30) days after the specified date of tender closing.
- In exceptional circumstances, before the expiry of the original tender validity period, the University may request tenderers for an extension for a specified time in the period of validity. The request and the responses will be made in writing or by facsimile. The tender of a tenderer who refuses the request, will be considered withdrawn. A tenderer agreeing to the request will not be permitted to modify the tender.

## **2.8 Electronic Transmission of Tenders**

- Transmission of tenders electronically (facsimile/email) shall not be accepted.

## **2.9 Evaluation and Comparison of Tenders**

- The Tender Board/Tender Sub-Committee of the University will evaluate and compare only tenders which are submitted in accordance with the tender documents.
- The evaluation of tenders by the University will include but will not be limited to the following:

- a) The quality assurance management system proposed by the tenderers;
- b) Factors which the University considers may have potentially significant impact on contract execution, price and payments, including the effect of items or unit rates in the schedules required that are unbalanced or unrealistically priced;
- c) Updated statements on commercial and financial matters.

#### 2.10 **Award Criteria**

- The University will award the contract to the tenderer whose tender has been determined to be conforming to the tender documents and who has offered the best value, provided that the tenderer has the capability and resources to effectively carry out the contract works.

#### 2.11 **The University's Rights**

- The University reserves the right to accept or reject any tender, and to cancel the tendering process and reject all tenders, at any time before the contract is awarded, without, as a result of that, incurring any liability to the affected tenderer or tenderers, or any obligation to inform the affected tenderer or tenderers of the reasons for its (University's) action.

#### 2.12 **Notification of Award Acceptance**

- Before the expiration of the period of tender validity determined by the University, the University may inform the successful tenderer by facsimile and confirmed in writing by registered letter that his/her tender has been accepted.
- Confirmation by facsimile shall constitute a letter of acceptance of the contract by the tenderer.
- No work is to commence until the contractor has been issued with a University order.
- The letter of acceptance and the University order will constitute the formation of the contract in accordance with the conditions of contract, pending formal execution of the contract document.

#### 2.13 **Confidentiality**

- All documents will be treated strictly confidential and the contents will not be disclosed outside the University without the tenderer's permission. However, for certain contracts the tendered price will be disclosed at the time of opening.

#### 2.14 **Post-Tender Negotiations**

- The University reserves the right to conduct post-tender negotiations with one or more selected short-listed tenderers regarding any aspect of the contract.

#### 2.15 **Dispute Over Terms**

- In any dispute where the terms of the tender specification conflict with the tenderer's own terms and conditions, the terms of the tender specifications will take priority.

### **3. Procedures**

- Refer to Policy FP18 for the Tendering of Goods and Services, and for the Construction Projects and Facilities Services Contract.

FORMS



## PROCUREMENT POLICIES AND PROCEDURES

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### FP18 Tendering Goods and Services and Construction Project

Policy No: **FP18**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

- This document provides the policy and procedures for the acquisition of goods and services and all construction projects where the value is more than \$20,000.

#### 2. Policy

2.1 Goods and services with a total value of \$50,000 or more are required to be open tendered and evaluated by the University's Tender Board.

2.2 Goods & Services with a total value of \$20,000 or more are not required to be tendered if:

- The Goods or Services can be purchased using an existing contract with a preferred supplier, which must be authorized by the Vice-Chancellor/Chair of Council on the advice of the Procurement Officer or any other person with the appropriate devolved authority.
- The item is a specialized good/service and the minimum requirement for quotations cannot be strictly met in which case the available quotations together with a request to waive the normal purchasing procedures can be used for the acquisition of such specialized goods or services.

2.3 Purchase Orders with a total value of \$20,000 or more which do not meet the conditions in 2.2 above are required to be either open or selectively tendered.

2.4 The tender process for all purchase of goods and services is to be arranged and organized through the Procurement Officer.

2.5 All tenders will be received by the office of the Registrar.

2.6 All tenders received shall be treated in the strictest confidence and no information in the tender documents shall be disclosed to anyone outside the University without the tenderer's permission.

2.7 The lowest tender may not necessarily be accepted. All qualifying bids shall be evaluated in accordance with section 7.0 below and the bid that provides the best overall value to the University will be accepted. The rationale for accepting a bid must be documented and retained by the Finance Office.

### **3. Procedures**

- When the Procurement Services receives a Purchase Requisition valued at \$20,000 or more, the Procurement Officer will process the requisition relating to Preferred Suppliers or Quotations for specialized goods and services before assessing those that require selective tender or will need to be open tendered.

#### **Preferred Supplier**

3.1 If the goods or services exceed \$20,000 in value, and can be purchased using an existing contract with a preferred supplier, the normal purchasing procedures will be followed. Refer to Policy FP3 and FP4 in consultation with the Finance Chair.

#### **Specialized Goods and Services**

3.2 If the goods and services requested for are specialized and the minimum quotation requirements cannot be met, the following procedures must be followed:

- School/Unit should request quotations from all the available suppliers
- The fund controller or other persons with the appropriate devolved authority may request a waiver of the normal purchasing procedures.
- The normal purchasing procedures should then be followed. Refer to Policy FP3 and FP4.

#### **Tendering Process-Calling for Expressions of Interest**

3.3 An Expression of Interest (EOI) is a formal registration of interest in providing the University with goods and/or services.

- A list of potential suppliers who have submitted EOI may be used as the basis for conducting a select tender process.
- The calling for expressions of interest is an invitation process involving the interested parties to provide information to the University on their capability to supply goods or services required by the University. EOI is normally the preliminary/first stage of a two-stage competitive process and is used as a screening mechanism to determine which parties are interested in and qualified to meet a particular need.
- Result of EOI is usually to draw up or shortlist of potential firms/companies who will be invited to respond to the second stage request for Tender based on a more detailed specification or the product or service required.
- EOI is not an invitation to bid and is not binding on either party.

## **Request for tenders (RFT)**

3.4 This is a formal tender process for bidding for supply of goods and services, and for capital projects. Invitations to submit tenders may be by public tendering using advertisements or selective tendering i.e. restricted to number of suppliers. Selective tendering normally follows the expressions of interest process. The tender request should include both commercial and technical specifications.

## **Open (Public) Tenders**

3.5 Where a fully open tendering process is used, companies/firms are invited to tender whether or not they have previously worked for the University. Where open tendering is used and the tendering documents (usually construction projects) are extensive and detailed, a deposit may be charged for these, which will be refunded once the tender is lodged. This is to ensure that only those firms/companies that are genuinely interested in the project ask for documentation. Tenders with an estimated total value of \$150,000 or more shall be conducted on open tender basis.

## **Selective Tendering**

3.6 Where the Vice-Chancellor/Chair of Finance or the person properly authorized agrees that the goods/services should be selectively tendered, a Tender Request will be prepared.

3.7 The Tender Request will be sent to all prospective suppliers by post, fax, email or collected by the suppliers from the Procurement Officer. The School/Unit doing the ordering may suggest suitable suppliers.

3.8 The supplier will submit a tender based on the Tender Request and hand deliver it to the Office of the Registrar where it will be placed in a locked tender box before the closing time and date.

3.9 At the closing time of the tender, the tender box shall be opened in the presence of the Tender Board/Tender Board Sub-Committee. The tenders, which, are received will be noted.

3.10 The procedures regarding safe custody, post negotiation, advice to tenderers and recording of tenders set out in section 6 below will apply.

## ***Opening of Tenders***

3.11 Tenders must be submitted by the tenderers in duplicate and in sealed envelopes and lodged in the Tender Box located in the Registrar's Office.

3.12 Tenders received after the specified closing time shall be rejected unless specifically approved by the Chair of the Tender Board. The rationale for accepting a tender after the specified closing time must be documented.

3.13 On the closing date the tenders shall be opened in the presence of members of the Tender Board or Tender Board Sub-Committee as appropriate. Each tender must be immediately numbered and initialed by all the members at the time of the opening.

### ***General Requirements***

3.14 Requests for an extension of the closing date are only to be considered if all tenderers are given the same opportunity.

3.15 At no stage after the tender box has been opened shall any tender information be disclosed outside the University without the tenderer's permission. All documents are to be treated as strictly confidential and kept in safe custody in the Registrar's Office.

3.16 Any further negotiation concerning the successful tender must take place before the unsuccessful tenderers are advised that their tenders have been unsuccessful.

3.17 When all the contract terms have been agreed to by both the tenderer and the University, a "letter of acceptance" will be issued to the successful tenderer and an Official Purchase Order will be raised following the normal purchase ordering procedure.

3.18 It should be noted that the lowest tender will not necessarily be accepted.

3.19 A record of the tender process shall be maintained by the Registrar's Office, together with the original tender documents. The record must include the date and time of the opening of the tender, names of those present at that time, the names of those companies/firms/organizations or individuals who submitted tenders and the tendered values, the results of the tender award (including, details as to why any award was made to a tenderer if their tender was not the lowest value submitted).

### ***Assessment of Tenders***

3.20 Tenders must be assessed strictly in accordance with the original specification. The assessment must be undertaken by the Tender Board/Tender Sub-Committee. A set of bid criteria based on the tender objective may be developed to assess complex tenders. Generally, the assessment of tenders are as follows:

- Capability Assessment: Past experience of the firm/company, skill and qualifications of the key personnel and the ability of the contractor for compliance with the various policy frameworks of the University and compliance with the various laws of the land.
- Technical Assessment: Establish whether the tender meets the University's requirements set out in the detailed specification and, if not, the implications of any variation from that specification.

3.21 After thorough evaluation of all the tenders, the respective Tender Sub-Committee (where Tender Board has set up a Tender Sub-Committee to evaluate Tenders see 8.1 below) shall prepare a report with recommendations for consideration by the Tender Board.

### ***Tender Board and Tender Board Sub-Committee***

#### **Tender Board**

3.22 The University's Tender Board will oversee the tender process and execution of tenders valued at \$50,000 or more.

The Tender Board shall open tenders for projects (building construction) and goods or services where the value exceeds \$50,000. The Tender Board may also decide to establish a Tender Board Sub-Committee to open and evaluate tenders (for construction projects and for recurrent goods and services) that exceed the financial limit set by the University Council (current value: \$50,000). In such case, the final tender award approval will be made by the Tender Board.

#### **Membership**

Pro-Chancellor (Chair)

Vice-Chancellor

Chair of Finance Committee

1 non-University Staff Member of Council, appointed by the Council

A Dean of School

*In Attendance:* Registrar  
Procurement Officer  
Consultant (Architect/Engineer (where appropriate)).

#### **Tender Board Sub-Committee**

3.23 A Sub-Committee of the Tender Board may oversee the tender evaluation and award process for tenders with an estimated value below \$50,000.

3.24 Where the sub-committee has been delegated by the Tender Board to open and evaluate tenders above \$50,000, then approval must be sought by the Tender Board for any tender award.

#### **Membership**

Vice-Chancellor (Chair)

Procurement Officer

1 user-group representative

1 other member from among academic/academic-related staff.

[The Chair may invite other staff members with specialist knowledge from time to time, to be in attendance].

FORMS



## PROCUREMENT POLICIES AND PROCEDURES

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### FP19 Selection of Preferred Suppliers

Policy No: **FP19**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document sets out the policy and procedures for the selection of preferred suppliers of goods and services to the University.

#### 2. Policy

- 2.1 The selection of preferred suppliers is the responsibility of the Procurement Section.
- 2.2 List of preferred suppliers may be changed at any time should the circumstances necessitate it.
- 2.3 The Procurement Section is to carry out a review of the performance of preferred suppliers annually.
- 2.4 The preferred supplier arrangements may be exempted for the purchase of specialized goods or services that have limited suppliers.

#### 3. Procedures

- 3.1 Where it would be advantageous to procure goods and services under preferred supplier arrangement, the Procurement Section will prepare an Expression of Interest. The EOI will include specifications for: type of goods and services required, expected annual value of goods and services to be procured and any special conditions applying.
- 3.2 The specification should be sent to interested suppliers with advice to respond by the date specified.
- 3.3 All responses to the EOI is to be evaluated and the contract terms agreed to with the suppliers selected.
- 3.4 The preferred supplier(s) will then be advised in writing and confirming the agreed terms

of the contract. The supplier(s) will sign and return copy of the contract including their acceptance of the terms.

3.5 All Schools/Units will be advised of the appointment of the preferred supplier(s) and that these preferred suppliers are to be used for obtaining the particular goods/services.

3.6 Preferred Supplier arrangement may be waived where there are limited supplier of specialized goods/services.

3.7 The performance of the preferred suppliers will be reviewed every twelve (12) months to ensure that the agreed terms of the contract are being complied with and, if necessary, changes are made.

3.8 Where circumstances require, for example, change in price or specification, before the review is conducted, the supplier(s) will be informed that a review will be carried out.

FORMS: list of forms.



## PROCUREMENT POLICIES AND PROCEDURES

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### FP20 Fixed Assets

Policy No: **FP20**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

### 1. Overview

Fixed assets play an important role in the activities of the University and represent a significant investment of resources entrusted to the University. The purpose of this policy is to ensure that:

- Fixed Assets (capital assets) are acquired, inventoried, recorded, safeguarded, maintained, controlled and accounted for in accordance with the University regulations and audit requirements.
- disposition of assets (except land) is approved by the University's Board of Survey.
- only staff members with properly delegated authority can authorize the acquisition or disposal of fixed assets.
- all University staff adhere to these directives.

### 2. Policy

2.1 The University shall maintain a central record of fixed assets within the Finance Office. This record will provide information to the Schools/Units of the assets under their management and enable the University to calculate annual depreciation and loss/gain on the sale of assets. The central record of fixed assets is known as the Fixed Assets Register.

2.2 Fixed Assets including donated assets are defined as all individual items or property or equipment valued at \$1,000 or more, having a useful life of two years or more.

They include land, buildings, infrastructure (e.g. water and sewer lines, side-walks, parking areas, and fences) equipment and office furniture (fixed and moveable), machinery, medical instruments, motor vehicles (*when acquired*), library books etc.

2.3 The value of Fixed Assets includes the purchase price, as well as costs to acquire (shipping and handling), install and prepare the item for its intended use.

2.4 Grouped items are items which were bought individually and each cost less than \$1,000 but together the cost was more than \$1,000. Grouped items will only be capitalized if:

- i. together they form a single piece of equipment that cost more than \$1,000. Office PCs are generally not included where it is common practice to replace individual items (monitor, keyboard etc.); Computer servers may be included, where it is usual to replace server and cabling together.
- ii. a new activity is starting and a number of items are purchased together. This initial purchase of items for the new activity may be capitalized as a group but later replacement purchases will not be capitalized if the cost of each individual item is less than \$1,000.

Grouped items will be added to the Fixed Assets Register as a single entry and depreciated in accordance with this policy, if either one of the above requirements is met.

2.5 Attractive Items costing less than \$1,000 will be added to the Fixed Asset Register if the School/Unit acquiring the items requires it to be specifically insured. In those circumstances,

- i. The cost of the item will be charged to the budget of the purchasing unit;
- ii. The value of the item will be added to the Fixed Asset Register but not depreciated
- iii. The Chief Finance Officer will ask the University's insurers to add the item to those specifically insured under the University's "All Risks" policy;
- iv. No item will be insured where the replacement value is less than the insurance excess value;
- v. The budget of the purchasing unit may be charged an annual fee to cover the cost of insurance.

The fund controller of each budget unit will ensure that an inventory list of all attractive items for which he/she is responsible is maintained by the respective school/unit.

(Note: attractive items include Laptops, Cameras, Projectors, DVD/CD Recorders/Players, etc).

2.6 All items of equipment on the Fixed Asset Register shall have barcode labels for insurance purposes.

2.7 Fixed assets (except land) and library books recorded on the Register shall be depreciated on a straight-line basis over the useful life of the asset. Depreciation is to take place at the beginning of the month following the receipt of the fixed asset. The Executive Director Finance is responsible for arranging the depreciation entries.

2.8 The depreciation rates will be as follows:

<b>Asset Category</b>	<b>Life</b>	<b>Yearly Rate</b>
Computer Items	5 years	20%
“Vehicles	5 years	20%”
Furniture	5 years	20%
Equipment	5 years	20%
Buildings	50 years	2%
Land	N/A	N/A
Library Books	N/A	20%

2.9 A complete physical check of all items held by each budget unit is to be conducted by the School/Unit at least once every year. This will be facilitated by the Finance Office and a time table will be issued accordingly. The purpose is to establish the accuracy of the Fixed Assets Register.

2.10 Finance Office will conduct spot physical checks of fixed assets held by School/Unit as deemed necessary. Any variance reports will be sent to Heads of Schools/Units.

### **3. Procedures**

#### **Acquisition**

3.1 The acquisition of assets shall be in accordance with University’s purchasing policies. The following fundamental principles shall apply:

- the purpose for which the fixed asset is required is in keeping with the objectives of the University;
- the purchase is absolutely necessary, existing asset cannot be upgraded and there is no alternative
- the fixed asset is cost effective over the life of the asset;
- the fixed asset is compatible with the existing equipment and will not result in unjustifiable additional expenditure on other assets or resources;
- the most suitable type, brand and model etc. has been selected.

3.2 The Asset Registration Form must be completed for all asset acquisitions. It should contain a detailed description of the new asset(s) acquired.

3.3 Where trade-in of an existing asset is included in the acquisition of the new asset, the cost details of the new asset being acquired and the asset being traded in should be noted separately on the Purchase Requisition. In addition, an Asset Disposal form must be completed with the details of the asset being traded in and submitted with the Purchase Requisition. Procurement Services will submit the disposal form to the Finance Office after necessary verification.

### **Recording**

3.4 School/Unit must forward all receiving copies of purchase orders for fixed assets, together with the Assets Registration Form to the Finance Office. All relevant details such as serial numbers, location etc. must be recorded on the Assets Registration Form.

3.5 The Asset Registration Form must also be completed for all assets received through donation or construction. All assets purchased from research grant funds etc. are the property of the University and must be recorded in the Assets Register.

3.6 The details of the Assets Registration Form will be checked and endorsed by Executive Director Finance before entering in the University Asset Register. The description is to be of a standardized form using the generic name, brand name and specification in that order.

3.7 Finance Office shall regularly (quarterly basis) generate a report for all asset purchases and will send the report to School/Unit. The Administrative Assistants in the School/Unit will be responsible for ensuring that the acquisitions are physically checked and verified, and that they have appropriate barcode numbers.

3.8 Finance Office will prepare a monthly report of all fixed asset additions and deletions on the Fixed Assets Register. Each month Finance Office must ensure that the information from all Asset Registration Forms and Asset Disposal Forms have been recorded on the Fixed Assets Register. Reports of all additions and disposals must be verified and endorsed by the Executive Director Finance. The Executive Director Finance must also ensure that appropriate action is taken for insurance purposes.

### **Physical Checks**

3.9 Once the annual financial statements of the University have been finalized, the Finance Office will prepare a report of all fixed assets held by each School/Unit. This report is to be ready by June of each year.

3.10 The report will be sent to the School/Unit which will be required to conduct a complete physical audit of fixed assets within four weeks and checked against those listed in the report. Attractive items will also be required to be checked along with fixed assets.

- 3.11 The items are to be physically checked room by room against the report. Items scheduled for disposal will be noted. Additional items not on the Fixed Assets Register will also be noted on the report and missing items identified.
- 3.12 The School/Unit will raise the Request for Disposal Forms for all the items listed for disposal and have these approved by School Dean/Unit Head. The Form will then be sent to the Finance Office. The Finance Office will liaise with Procurement Services regarding sale/disposal of assets, and amend the Fixed Assets Register accordingly.
- 3.13 Items not located is to be recorded on a Stolen/Missing Items Equipment, Furniture and Consumables form, and appropriate action taken.
- 3.14 Where an item has changed location, but is still held within the School/Unit the change of location will be noted in the report and a change made to the Assets Register.
- 3.15 The stock-check report must be returned to the Finance Office for amendments to the Assets Register as required and for any further action.
- 3.16 Finance Office will conduct spot physical checks of fixed assets held by School/Unit as appropriate. Variance reports will be sent to Heads of School/Unit/Fund Controllers.

#### **Movements of Fixed Assets**

- 3.17 Where the location of any item has changed but still remains within the School/Unit, the Finance Office is to be advised in writing.
- 3.18 Transfer of assets must be approved by the staff member with delegated authority and responsibility for the asset. Where the item has been transferred to the responsibility of another department, a Movement of Office/Laboratory and lecture Furniture/Equipment form will be completed and a copy sent to Finance Office. The Movement of Assets Form must be completed by the transferring department, and signed by the Fund Controller of the School/Unit undertaking responsibility for the asset, before submitting it to the Finance Office.

#### **Reconciliation to General Ledger**

- 3.19 The Finance Office is responsible for reconciling the Asset Register with the General Ledger asset accounts on a monthly basis. Any discrepancies must be investigated and corrective action taken.

## **End of Year Procedures**

3.20 At the end of the financial year, a report of the total additional fixed assets for the year will be prepared taking into account:

- Fixed Assets addition for the year
- Fixed Assets disposals during the year.
- The surplus or deficit on disposal of fixed assets during the year.

3.21 After reconciliation, a journal entry must be prepared and included in year-end accounts.

### **CHECK REGARDING NOTE:**

1. Any work of Art/Artifacts for inclusion.
2. Executive Director Finance needs to get advice on VAT and tax implications of property costs – acquisition, disposal and usage.

### **FORMS**

Assets Registration

Stolen/Missing Item(s) or Equipment, Furniture or Consumables

University Assets Disposal Form

Movement of Office and Laboratory Furniture/Equipment



## PROCUREMENT POLICIES AND PROCEDURES

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### **FP21 Attractive Items**

Policy No: **FP21**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

### **1. Overview**

These are the policy guidelines for the purchase of attractive items for insurance purposes. All items of equipment that are portable and attractive in nature, and are insurable are classified as Attractive Items. Their purchase value may be less than the minimum requirement of \$1,000 in cost for the Asset Register recording.

Only those staff with delegated authority may authorize the purchase of attractive items.

### **2. Policy**

- 2.1 Items which are deemed 'attractive items' by the School Dean/Unit Head or Executive Director Finance are to be recorded in the Asset Register for security reasons and insurance purposes.

### **3. Procedure**

- 3.1 Attractive items are to be recorded in the Asset Register in accordance with the asset register recording procedures (refer to Policy Document FP20).
- 3.2 These items are to be purchased using a separate account specially created for fixed asset items.
- 3.3 These items shall be included in regular inspection and stock checks of fixed assets.
- 3.4 Movement/transfer/disposal of attractive items is to follow the normal procedures (refer to policies FP20, FP22 and FP23).

## **FORMS**

### **APPENDIX TO ATTRACTIVE ITEMS**

Attractive items will include:

#### ***Computer Equipment such as:***

- Individual monitors, Hard drives (CPU), Keyboard
- Printers
- Scanners

#### ***Office Equipment such as***

- Large staplers
- Binding Equipment
- Large Portable Fans
- Fax Machine
- Photocopiers

#### ***Audio & Video Equipment such as***

- Camera
- Lens
- Video Recorders
- CD Players
- Portable Phones

#### ***Tools such as***

- those for Repairs of Building

Other items to be added as required, to the list.



## PROCUREMENT POLICIES AND PROCEDURES

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### FP22 Disposal of University Assets

Policy No: **FP22**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This document describes the policy and procedures for the disposal of assets or attractive items owned by the University through sale by tender or direct sale, donation or scrapping.

Items covered include Fixed Assets (other than land and buildings) valued at \$1,000 or more, and those attractive items that require to be recorded or updated for insurance purposes (i.e. portable equipment below \$1,000). Disposal of University's real property (lands/buildings) are governed by the regulations specified in the University Decree 26 of 2011.

#### 2. Policy

- 2.1 All assets owned by the University which are surplus to requirements and are to be disposed of by tender for sale, direct sale, scrapping, and donation or traded in on new equipment are subject to disposal procedures set out herein.
- 2.2 Procurement Section is responsible for ensuring that these procedures are followed.
- 2.3 Schools/Units that have items for disposal are to complete a Disposal Form and forward it to Procurement Services.
- 2.4 Procurement Section will set up a Board of Survey to inspect the items and decide on the best method of disposal so as to obtain the best value possible for the University.
- 2.5 The sequence of priority for sale is firstly to other Schools/Units, then staff and students and then the general public.
- 2.6 Any items left unsold at the end of this process are to be disposed of in correct manner by the Procurement Services.

### **3. Procedures**

3.1 Where a School/Unit has items for disposal (i.e. surplus to requirement, for scrap, sale, donation or trade-in) it will complete a Disposal Form. This also includes attractive items that are not recorded as assets.

3.2 Details to be recorded on the Disposal Form will include:

- The School/Unit account number and name.
- The Asset number (if applicable).
- The Serial number.
- The date the item was purchased and Purchase Order number.
- The location.
- The description of the item.
- The reason for disposal.
- Suggestions on how the items are to be disposed and the value.

The form will be signed by the School Dean/Head of Unit and sent to the Procurement Services.

3.3 On receipt of the Disposal Form, the Procurement Section will produce a Board of Survey form and the Board of Survey will be set up by the Executive Director Finance.

3.4 The Board will set a date for inspection of the items and the School/Unit will be advised of the date to ensure that a member of staff of the relevant School/Unit is available to assist the Board.

3.5 Each item will be checked by the Board in accordance with the details given on the Disposal Form and will recommend the disposal method (i.e. sale, transfer, donation or scrapping).

3.6 Any items recommended for trade-in will be surveyed to decide whether this gives the best value to the University and/or whether it may be transferred to another School/Unit.

3.7 Items for sale will be tendered or sold at a particular price at the discretion of the Board. (Refer to policy 2.5).

3.8 All sales will be on a "as is where is" basis.

3.9 Any proceeds from the disposal of assets will normally be credited to the account of concerned School/Unit subject to that School/Unit paying for the cost of disposal.

3.10 No transfer of items will be effected until the University has received the full amount of the sale price and has issued an official receipt.

3.11 Where an item cannot be sold or is regarded as scrap, the Procurement Section will arrange for the items to be removed and dumped. The cost will be charged to the School/Unit.

3.12 On advice that the items have been disposed of if they are recorded in the Asset Register, the Executive Director Finance will authorize their removal from Asset Register. The date this action was taken will be noted on the Disposal Form which will then be filed as record

in the Procurement Section.

3.13 For each transaction the profit/loss on the sale or scrapping of the item will be calculated and a journal entry made.

3.14 On an annual basis, a survey of Schools/Units will be carried out by the Procurement Office in regards to items that are available for disposal and the above procedures will then be followed.

## **FORMS**

Disposal Form for University Assets  
Board of Survey Form



## PROCUREMENT POLICIES AND PROCEDURES

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### FP23 Stolen/Missing Items

Policy No: **FP23**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### 1. Overview

This policy applies to the loss of specific University properties which are fixed assets, attractive items or consumables.

#### 2. Policy

- 2.1 If any property has “mysteriously” disappeared or has been stolen, the incident must be reported to the Registrar’s Office immediately. The School/Unit concerned must complete the Stolen/Missing Item(s) Report Form and send it to the Registrar’s office.
- 2.2 The Registrar’s Office will refer the matter to the Finance Office and ask it to conduct an investigation, and will report the ‘theft’ to the Police, if necessary.
- 2.3 Finance Office is to prepare a report and send it to the Registrar with recommendations.

#### 3. Procedure

- 3.1 If any University property including equipment, furniture, consumables etc. is found to be missing the School/Unit concerned will immediately report the matter to the Registrar’s Office.
- 3.2 The School/Unit is required to complete the Stolen/Missing Item(s) form and send it to the Registrar’s Office within 3 working days from the date the item(s) is discovered missing.
- 3.3 The Registrar will forward the form to the Finance Office which will inspect the location and interview the person who discovered the ‘loss’.
- 3.4 Finance Office will then complete its section of the form and submit it to the Registrar, which will include the appropriate advice.

3.5 The Registrar will report the incident to the Police, if he/she considers it necessary.

3.6 The form will then be sent to the Executive Director Finance for decision on whether insurance claim should be made.

3.7 If the missing item is a fixed asset, it is to be written-off on the Fixed Asset Register by the Finance Office.

## **FORMS**

Stolen/Missing Item(s) Form.



## PROCUREMENT POLICIES AND PROCEDURES

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### FP24 Inventory Control and Stock take Procedures

Policy No: **FP24**

Responsibility: Procurement Officer

Date Approved by Council: 24<sup>th</sup> May, 2014

Date for Next Review: 24<sup>th</sup> May, 2017

Effective Date: 26<sup>th</sup> May, 2014

#### **1. Overview**

This document outlines the policy and procedures relating to the management of stocks perishable and non-perishable.

Stores in the University are operated in the following areas:

- Bookshop
- Cafeteria
- Finance Office

#### **2. Policy**

2.1 Each store is to be effectively and efficiently managed to ensure that:

- There is a correct and updated list of stocks held, indicating stock levels, unit cost and total cost.
- Appropriate and accurate stock records are maintained for the movement of every stock item in the store.
- Random, independent spot checks are carried out on moveable, high turnover and attractive items throughout the year.
- Appropriate data is available for all stocked items of hazardous nature.
- All stocks are stored securely and safely.
- Access to the stocks is restricted to authorized staff only.
- That all stocks items are available to approved users only.

- Fund controllers/Unit Heads are provided with timely and accurate information on all store transactions.
- Physical verification of all stocks is conducted at least bi-annually and as per the stock take schedule of the University. The physical count should be done in compliance with the procedures set out in this document.
- All steps of the physical verification process, including counts and investigation of variances are adequately documented.
- All variances are to be investigated by the Finance office. A detailed report of the variances should be sent to the Finance Committee.
- All final adjustment to stock balances after the stock take should be approved by the Finance Committee.

### **3. Procedure**

#### **Purchasing of Stock**

- 3.1 Purchasing of stock must be made by authorized staff responsible for each store. Procedures for Purchasing outlined in Procurement Policies and Procedures (FP4) shall be followed.

#### **Receiving/Receipting of Stock**

- 3.2 Receiving and receipting of stocks must be undertaken by authorized store staff at respective stores. Procedures for Receiving Goods and Services described in Procurement Policies and Procedures (FP5).
- 3.3 Authorized staff will update stock records to show additions to the stock lines, and the balance available.

#### **Issue of Stock**

- (1) Schools/Units requiring items from any of the stores should complete a stock requisition form which should be approved by staff with properly delegated authority.
- (2) The authorized store staff will update stock records immediately after issuance. It must be ensured that the person authorizing is not the same as the person requisitioning.

#### **Stock take**

##### **Obsolete and Redundant Stock**

- (1) Stock holding should be reviewed at scheduled stock-take times, and a report on slow

moving stock items made by the authorized store staff. The report should be verified and referred to Executive Director Finance for appropriate action.

- (2) Any decision made in relation to disposal of obsolete or slow moving stock should be in accordance with Procurement Policies and Procedures (FP22).
- (3) All obsolete stock should be separately listed and should not be included in the main stock sheet.
- (4) Items that become obsolete during the year are to be counted, listed on a separate stock sheet and identified as obsolete stock. Obsolete stock that have been written off at a previous stock do not have to be counted again, but should be recorded separately (i.e. separate from the main stock as well as the stock which is deemed obsolete in the current stock take).

### **Stock take Preparation**

- (1) As per the stock take schedule, the Executive Director Finance will appoint independent persons for each store (one of whom will be overall in charge of the stock-take) to ensure the validity and accuracy of physical count.
- (2) All physical stocks will be inspected to ensure that they are not damaged and kept in a secure area. Damaged stock should be treated as obsolete stock.
- (3) A series of stock sheets will be prepared and numbered sequentially. Each stock sheet appendix should contain the following headings:
  - Stock Item Number
  - Stock Description
  - Location
  - Unit of Measure
  - Quantity as per Stock Card
  - Physical/Actual Count
  - Variance Quantity (Difference between Stock Card Quantity and Physical Quantity)
  - Unit Cost (Cost Per Stock Item)
  - Total Cost (Unit Cost/Physical and Actual Count Quantity)
  - Variance Cost (Unit Cost/Variance Quantity)
- (4) Any issues in the pre-stock take period should be charged out as sales costs and should

not be included in the stock take.

- (5) All stocks received and authorized for payment must be included in the stock take. Any receipt of stock will be recorded as a purchase of stock.
- (6) Staff in charge of the stock-take must ensure that there is no double counting and all stock to be counted is being counted.
- (7) The person in charge of the stock-take should note which pre-numbered stock sheets have been issued for which area.
- (8) It must be ensured that stock records are up to date, with all goods issued and received being entered up to the date, prior to stock take.
- (9) A running total of stock items should be kept on the Stock Card. If it is necessary to receive new stock during the period after the recording of the Stock Card, the new stock must be entered on the Stock Card and cross referenced to the relevant invoice. If stock is issued, it should be deducted from the Stock Card total and cross referenced to the relevant issue docket.

### **During Stock Take**

#### **Counting Procedure**

- (1) All stocks owned by the University is to be counted.
- (3) Counting should be done in pairs, one person counting and the other recording and checking.
- (4) A different person from Finance Office will oversee the stock take procedures and will ensure that stipulated procedures as outlined in this document are followed.
- (5) Stock should be counted systematically, e.g. shelf by shelf, to ensure that items are not missed. If stocks are displayed on a shelf, then count from “left to right” and from “top to bottom”.
- (6) Stock should be counted as per unit of measure, e.g. Each (EA) packet (PKT), Box as shown on the stock sheet.
- (7) The counting team should not have access to stock records (Stock Cards) prior to completion of initial count.
- (8) Any stock received on the day of the count is to be set aside and included as stock on the

stock sheet. The receiving copy and the invoice should be sent to the Finance Office for payment.

- (9) When stock has to be removed from the stores on the day of the count as an “urgent” request, the staff in charge of the count should note the details of the item taken, ensure that the stock is excluded from the count.
- (10) At the completion of the stock count, both the counter and the recorder should sign each stock sheet in the space provided for this.

### **Verification Procedures**

- (1) If there is a difference between quantity on the Stock Card and the physical stock counted,
  - the physical stock should be recounted
  - the additions and subtractions on the Stock Card must be checked
  - any error on the supporting documents should be noted.
- (2) When stock sheets are completed they should be handed to the person in charge of the stock take, who should then spot check them against the stock cards. Any variances are to be followed up immediately by him/her.
- (3) The person in charge of the stock take must check and ensure that stock sheets are in sequence, and have been signed off by the counter and recorder.

### **After Stock take**

- (1) The quantity of each stock item per the stock card should be entered on the stock sheet and compared with the physical quantity counted.
- (2) Variances between the stock card figures and the quantity counted should be investigated.
- (3) The person in charge is to enter unit cost on the stock sheet.
- (4) The stock count to be extended i.e. Total Cost = (Unit Cost/Physical/Actual Count Quantity) and each page added down. When there is an unresolved difference between the stock records and the physical quantity counted, the actual quantity counted should be used.
- (5) The page totals for each stock sheet are to be entered on the summary sheet and the grand total calculated on the summary sheet. Those who have done the extensions and totals must sign off the master sheet.

- (6) Significant differences between Stock Cards and the physical counts must be investigated by the Finance Office. A detailed report on the variance should be sent to the Finance Committee.
- (7) The stock take results will be reviewed by the Executive Director Finance and if satisfied with the correctness of the stock take will forward them to the Vice-Chancellor/Finance Committee Chair within 30 days of the stock-take.

## **FORMS**