

Controls of Expenditure

The aim of this policy is to ensure that expenditure is only incurred where it is:

- in pursuance of Culture&'s charitable purposes
- an effective use of Culture&'s resources
- in compliance with any requirements relating to funding.

Staff need to be aware that Culture& is committed to expenditure when an order is placed, or contract is signed, not when the payment is made, so it is vital that orders are made responsibly, and within the approved budget and authority levels.

Any spending beyond the budget must be authorised in accordance with the delegated authorities.

Procurement, estimates and tendering

In order to ensure value for money for significant purchases, research should be carried out on the goods or services in question and a relevant specification drawn up. Written quotes should then be obtained, or the contract put out for tender, dependent on value as follows:

Value of Purchase £	Action Required (minimum)
Up to £500	One written quote
Up to £1,000	Two written quotes
Up to £10,000	Three written quotes
Over £10,000	Formal tender published online and circulated widely

Where two or three written quotes are specified, but a specialist item or service is required for which it is not possible to obtain more than one quote within a reasonable amount of time, a business case must be made and signed off by the [treasurer].

Where the supplier chosen is not the cheapest, the reasons for this choice must be documented.

Tender process

1. Agree specification for the service or product and the requirements of the supplier including quality issues
2. Advertise as widely as possible through local networks and contacts, place opportunity on Culture& web site, allowing a minimum of three weeks for responses
3. Ensure the advertisement gives clear information about how to apply

4. Send out the specification to interested parties with full information of how to submit a tender
5. Evaluate responses on the basis of the specification by a panel of at least two, preferably three people
6. Shortlist if necessary
7. Invite shortlisted supplies for interview/presentation where required – for specific products and some services the purchase can be made on the basis of the quote, however for other services such as consultancy, it is desirable to interview potential suppliers. For some high value products or services it may be worth considering inviting a shortlist of suppliers to make a presentation.
8. Take up references if appropriate
9. Award to supplier issuing appropriate contract checked by legal advisor

Purchase orders and invoices

Purchase orders

In order to ensure that expenditure is in line with strategy and budget, and provides value for money, all purchases above the value of £500 must be initiated with a purchase order. This must be completed at the time the goods or services need to be ordered (because this is the point at which Culture& is committed to the expenditure), not when it is time to pay for them.

Purchase orders will be authorised in line with delegated authorities. Individuals authorising a purchase are confirming whether the expenditure is in line with budget, and that there are funds to purchase it. It is the responsibility of the person requesting the purchase to check whether this is the case.

No one should authorise any transaction from which they, their partner or a relative will personally benefit, for example their expense claims.

Staff must not authorise payments to (or that benefit) someone senior to them.

Invoices

All invoices will be authorised in line with the delegated authorities.

All invoices should be sent when received to the Finance Officer for recording.

The person who requested the goods or services is responsible for checking the quality of what has been received and that it matches the order, and that the invoice agrees to this and is accurate.

Once an invoice has been authorised, suppliers will be paid according to their payment terms, or if no terms stated within (30) days.

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