



**The British
Psychological Society**

Promoting excellence in psychology

PURCHASING POLICY AND PROCEDURE

For use by	All Society employees; all Members involved in purchasing goods and services.
Owner	Director of Finance
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Dates of Trade Union Consultation and Negotiation	5 October 2012
Date of Approval by JNC	5 October 2012
Date of Trade Union Ballots	
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Contact – Comments	Personnel Department
Review Date	End of first year & thereafter every three years (2013/2016)

1. Introduction

- 1.1. The purchase of goods and services represents a significant portion of the Society's total expenditure. Effective purchasing allows the Society to achieve value for money and reduce operating costs.
- 1.2. This Policy and Procedure should be read in conjunction with the Policies outlined in 10. Below.

2. Aims

- 2.1. To set out the approved procedures for ensuring that the Society achieves full value for money in the purchase of all its goods and services.
- 2.2. To ensure that those to whom this Policy and Procedure applies are aware of the requirements for correct authorisation of purchases.
- 2.3. To ensure that all Society purchases above a minimum value comply with the need for competitive quotes or tendering.

3. Scope

- 3.1. This Policy and Procedure applies to all staff employed by the Society, and Members of the Society involved in the purchase of goods and services.

4. Principles

- 4.1. All goods and services costing more than £2500 should be acquired by competition.
- 4.2. All purchasing should shall be based on good practice and be in accordance with the following objectives:
 - To supply the Society with the goods and services it needs at the time they are required.
 - To buy efficiently and wisely and obtain the best value for money.
 - To develop effective relationships with suppliers to ensure success in the overall operation of the Society's business.
- 4.3. Individuals cannot be delegated the authority to approve payments for themselves or approve activity that could result in self benefit.

5. Purchasing and Procurement (see also 7. below for additional specific rules for Member Networks)

- 5.1. Goods and services may only be purchased by designated Society staff in accordance with this Policy. Members may not purchase goods and services using Society funds.

- 5.2. For the purchase of goods and services expected to cost less than £2,500, orders may be raised with suppliers known to be able to deliver the goods or services that are required. Staff will be expected to use their knowledge and experience of the market to seek the most appropriate price (not necessarily the cheapest) for the quality or level of service required. The transaction will be authorised by the relevant line manager.
- 5.3. For goods and services over £2,500 but less than £25,000, three quotations/ estimates should be acquired and normally the lowest of these should be favoured so long as this meets with the quality or level of service required. The written authorisation of the Department Manager must be obtained.
- 5.4. For purchases expected to cost over £25,000, the provision should be put out to competitive tender, with a range of possible suppliers being invited to bid. The lowest tender will normally be favoured so long as this meets with the quality or level of service required. Written authorisation from the Finance Director must be obtained.
- 5.5. When it is anticipated that expenditure with a supplier or contractor will exceed £50,000 either as a single payment or as a series of linked payments, then this must be authorized in writing by either the Director of Finance or the Chief Executive prior to any commitment being given to that supplier or contractor.
- 5.6. For purchases expected to cost over £100,000, additional authorisation from the Honorary Treasurer must be obtained.
- 5.7. A supplier who, over a period of time, has demonstrated high quality and value for money may be accorded special status as a “preferred supplier”, obviating the need always to seek competitive estimates before purchase. This special status may only be given by an agreement between the Chief Executive and Finance Director. Preferred supplier status will be reviewed every five years.

6. Purchasing procedures

- 6.1. A relevant budget must be available before any item is authorised for purchase.
- 6.2. All items purchased on behalf of the Society must be authorised by the relevant member of staff (see 5. above).
- 6.3. Additional rules apply to Member Networks (see 7. below).
- 6.4. Items over £1,000 require a purchase order to be produced and authorised. Authorisation limits for purchase orders are automatically set up on the system. The only exception to this is for continuing contracts, for which the Finance Director will pre-authorise ongoing payments under the terms of the contract.

6.5. Use of consultants

All use of consultants must be authorized by the Chief Executive and the Contract for Services procedure will apply.

6.6. Use of legal advice

All use of legal advice must be authorized by the Chief Executive or, in her/his absence, the Finance Director.

7. Member Network procedures

7.1. Member Network purchases may only be made against an approved budget. Member Networks must submit an annual business plan with a detailed financial budget. This will run from January to December and must be submitted to the Board of Trustees by the end of October prior to the year in question. Purchases may only be made in line with the procedures set out in 5. and 6. above.

7.2. In addition, any proposal by a Member Network to spend over £500 will require pre authorisation by the Chair of the Member Network Committee who must notify this authorisation to the Member Network Accountant or the Director of Finance.

7.3. Expenditure between £500 and £1,000 which has been included within an approved budget must be additionally authorised by the Member Networks Services Manager.

7.4. Expenditure over £1,000 that has been included in an approved budget must be additionally authorised by the Finance Director.

7.5. Expenditure that is outside the approved yearly business plan must be pre-approved by the Board of Trustees by the submission of a proposal to their next meeting.

8. Combining Transactions

8.1. Dividing a commitment or transaction, including related transactions arising from the purchase of single item(s) or product(s), into two or more parts to evade a limit of authority is prohibited and is a violation of this Policy and Procedure. This requirement will be interpreted broadly, by the Finance Director or Chief Executive, so that a series of reasonably related transactions will be considered as a single transaction for purposes of determining the approval and authority levels required.

9. Breaches of this Policy and Procedure

- 9.1. Breach of this Policy and Procedure by a member of staff may result in disciplinary action under the Society's Disciplinary Policy and Procedure which may lead to dismissal.
- 9.2. Breach of this Policy by a Society Member may result in disciplinary action under the Society's Member Conduct Rules which may lead to removal from Society membership.
- 9.3. Breach of this Policy by a Member Network Committee may result in the financial transactions for that Member Network being frozen until the Board of Trustees have considered appropriate action.

10. Related policies

10.1 This policy should be read in conjunction with:

- Whistleblowers Policy
- Anti-Fraud Policy
- Anti Bribery Policy
- Expenses Policy *
- Financial Procedure and Internal Control Manual *
- Gifts and Hospitality Policy
- Disciplinary Policy and Procedures *
- Declaration of Interests Policy and Procedures
- Anti-Money Laundering Policy
- Member Conduct Rules
- Contracts for Services Procedure *

**** update/approval ongoing***