



## Purchasing and Procurement Policy

Version No.	1.0	Date Ratified	21/10/2025	Review Date	June 2026
-------------	-----	---------------	------------	-------------	-----------

### The purpose of this policy -

- to ensure the best interests of Mill House are preserved
- to ensure the purchase is consistent with Mill House's purpose
- to avoid conflicts of interest and/or fraud
- to promote local supply of goods and services where practical
- to ensure purchase has been budgeted and approved by the Treasurer
- is consistent with the Rules of Association

### Objectives -

- to clarify when Committee approval is required
- to clarify limits of delegation to the Manager
- to ensure that purchases of goods and services must support Mill House's purpose and not for the benefit of directly or indirectly of individual staff members or external entities
- purchases of capital items will be correctly accounted for and recorded on the asset register
- are purchased from suppliers approved by the Committee and local businesses were possible
- to clarify when it is appropriate to use petty cash
- to clarify handling of purchases from Auspiced funds

### Preferred Suppliers -

- the Committee must authorised suppliers before they are added to the authorised suppliers list
- the Committee will maintain a list of authorised suppliers
- before adding a new supplier to the list of authorised suppliers, the Committee will consider factors including: reputation, value for money, risks, ongoing support, ongoing costs and if the supplier is prepared to sign a confidentiality agreement when needing access to any of the technology systems (Accounting, Electronic Documents, Emails, Website, Alarm)

The Committee may approve one off purchases for suppliers not on the authorised list.



## **Purchasing and Procurement Procedures**

1. Determine if the funds are available, including any ongoing obligations. These funds may be in the annual budget the Committee approved or allocated on approved projects from grants or special projects approved by the Committee. Also, that the purchase is consistent with Mill Houses purpose as defined by the Rules of Association.
2. Identify the preferred supplier
3. Negotiate with the supplier
  - a. This step may require getting competitive quotes
  - b. Evaluating the following factors
    - i. Reputation
    - ii. Value for money
    - iii. Risks
    - iv. Ongoing support and warranties
    - v. Ongoing costs
    - vi. Delivery time frames
    - vii. Need for signed Confidentiality agreement
    - viii. Identify if any conflict of interest exists
    - ix. Ethically produced and sourced items
    - x. Prioritise: local, then Australian, then overseas
4. Obtain a final single quote or document listing all goods and services and any conditions
5. Order only once a detailed valid Australian Tax Invoice has been supplied
6. Create a Purchase Order when purchasing with an invoice, once approvals are given or is within expenditure delegation
7. Receive and check the goods and services ordered are consistent with the order
  - a. Follow up with supplier if goods are damaged or missing or incorrect
  - b. Arrange credit note for goods not accepted or replaced
  - c. Advise book-keeper if invoice can be paid in full or part
8. Book-keeper pays for the goods and services that have been accepted



### **Petty Cash and Debit Card Purchases**

It is often more efficient to use petty cash or debit card to purchase low value items, less than \$200, such as supplies needs for catering events. A PIN must be used for purchases above \$100.

The priority needs to be to use the debit card, as it automatically produces an accounting audit trail.

Either way, both methods of payment need to have detailed receipt of goods signed off by the Manager or Assistant and kept for an accounting audit.

To minimise the potential for fraud, the person who signs off must not be the person that made the purchase. In the event that another staff member is not available, the receipt may be signed off by the Treasurer or other Committee Executive not related to the purchaser.

### **Auspiced Purchases**

Auspiced Projects including a detailed budget must be approved by the Committee. Projects must be consistent with Mill House's purpose in the Rules of Association.

Purchases made for Auspiced projects must be consistent with the project budget.

Purchase orders must not be raised unless approved by the Manager.

No purchase orders are to be raised until an Auspicing Agreement has been executed by the Entity being Auspiced and the Mill House Committee executive and is compliant with the Auspicing Policy.

Purchases in excess of the project's budget are not to be paid by Mill House and referred to the Entity being Auspiced for payment.

No payments will be made without valid Tax Invoices or valid receipts.

No payments will be made after the Project has been acquitted.

After any project has been acquitted, unpaid invoices or receipts will be referred to the Entity being Auspiced for payment.