

RACHEL SWART PURCHASING PROCEDURE

1. Introduction

Control over expenditure is of vital importance to RACHEL SWART. The Fund is receiving money on trust to spend on activities and programmes that are agreed with its donors. RACHEL SWART must, at all times, ensure that:

- Expenditure incurred is *necessary* to achieve the outcomes it commits to with its donors
- RACHEL SWART uses suppliers that offer the most *cost- effective* rate, and deliver goods and services *timeously* and of sufficient *quality* to ensure the desired outcomes
- The Fund is always alert to the possibility of corruption. Thus any requests that seem unusual or attempt to bypass procedure are always carefully considered.

a) Prior Authorisation

In order that RACHEL SWART achieves these objectives, it must obtain *prior* authorisation for all goods and services that it purchases. This is to ensure that the purchase is necessary and that the Fund obtains the best value for the money spent. This is the most critical time of any decision to purchase, as RACHEL SWART still has influence over the costs, timing and outcomes.

b) Personal Expenditure

The organisation is also committed to sound governance practices. It is important that when personal expenditure is incurred, this be approved by the relevant employee's supervisor prior to the expenditure being disbursed.

c) Payments

- i) Payments will be effected on a 30-day account basis.

2. General

a) Three quotes are needed if:

- i) the supplier is not on the approved supplier list (a new supplier);
- ii) the purchase amount is greater than R10,000; and/or
- iii) an asset is being purchased.

b) One quote is needed if:

- i) the supplier is on the approved supplier list; and
- ii) the purchase amount is less than R 5,000;
- iii) RACHEL SWART should also periodically be checking quotes to ensure that it still obtains the best price. Managers of programmes need to ensure that this happens.

c) Complete the Order, attach quote(s) send to the manager or Committee member for *authorisation*.

- i) Orders that are less than R5 000 can be authorised by the Manager
 - ii) Orders greater than R5 000 need to be authorised by the Chair or deputy chair of the Committee.
 - iii) All capital expenditure (particularly asset purchases over R1, 000) must be authorised by the Chair or deputy chair of the Committee.
 - iv) No staff member or manager can authorise expenditure in which they have an interest e.g. personal expenditure. This must be authorised by the manager or authorised by the Chair or deputy chair of the Committee.
 - v) The Manager or the Chair or deputy chair of the Committee may authorise expenditure by e-mail or SMS. Alternatively, they may delegate a Manager to sign on their behalf in their absence. The e-mail or SMS should then be attached to the order and signed on the return of the Chair or deputy chair of the Committee.
 - vi) The relevant Manager scrutinises quote(s) to ensure:
 - i) It is appropriate expenditure;
 - ii) It is competitively priced;
 - iii) The supplier can deliver with the requisite quality and on time;
 - iv) It is important to take into account the type of expenditure e.g. when booking travel arrangements for meetings, the Manager must be satisfied that early booking of tickets has been optimised.
- d) Once satisfied, the Manager authorises the expenditure by signing and dating the order.
- e) The order is then faxed or scanned, and e-mailed to the supplier.
 - i) Suppliers have been notified that RACHEL SWART will only honour invoices that have been authorised using the Fund's order book and the above process. Signatures of Managers are sent to all RACHEL SWART suppliers and updated annually.
- f) A copy of the order is sent to the Accountant to notify her that a purchase has been made. This must be done by Friday of the week in which the purchase was made.
- g) The original order is compared to the invoice and/or delivery note when the goods arrive or the service has been rendered. This copy is attached to the payment requisition along with the invoice and quote(s) or budget (where applicable).
 - i) If the price of the invoice differs by 10 percent of the order value, the relevant Manager must re-authorise the existing order (i.e. Sign and Date)
- h) The last of the three copies of authorisations remains in the Order book. Once the order book has been used up, it should be handed back to the Accountant and a new order book requested.

- i) The Accountant agrees the invoice to the order and upon satisfactory completion, signs that the requisition has been checked, and hands it to the Accountant for Pastel coding.
 - i) If the invoice is inconsistent with the order or has not been properly authorised, the Accountant will hand back the documentation to the relevant administrator to be corrected and resubmitted.

- j) Orders do not need to be completed in cases of ongoing contracts or in cases where RACHEL SWART has statutory obligations. In these cases, the relevant Manager checks the invoice and once satisfied, signs the invoice and sends it to the finance cluster to process the payment.
 - i) Examples of ongoing contracts are photocopy machines.
 - ii) Examples of statutory obligations are rates and water, SARS (South African Revenue Service) accounts, etc.