

No Purchase Order (PO), No Payment Policy

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1 Introduction and purpose

De Montfort University (DMU) Procurement Policy* 3.17.2 states that “Purchase Orders must be created and issued for the purchase of all goods, works, and services before any instruction is given or commitment is made, to any supplier/contractor, except where a purchase is being made using an university procurement card, corporate card or petty cash, or the Head of Procurement or Financial Controller has Authorised the use of a process that does not require an order to be created or issued”.

2 Benefits of “No PO No Pay” Policy

This policy has been implemented to improve the ability of the University to efficiently process and pay supplier invoices within predefined terms. This policy has clear benefits for both DMU and our suppliers;

- The pre-approval process ensures the order has been approved by the appropriate university budget holder before the order reaches the supplier. This allows for accurate, timely reporting, budgeting and forecasting across the university
- Enabling the university to process invoices efficiently thus ensuring a positive payment profile with suppliers/contractors
- Removing potential risk to the university by formally agreeing the terms of engagement before the supplier/contractor commits to deliver.

3 Requesting Expenditure

As a reminder, in accordance with the university Financial Regulations* all university staff must;

- Not commit university funds without prior issue of a Purchase Order
- Use a university approved supplier in compliance with the Procurement Policy
- Raise an appropriate Purchase Order, obtain its approval and communicate the Purchase Order number to the supplier/contractor.

In accordance with the university’s “No PO No Pay” policy, any invoices received from a supplier/contractor which does not clearly state a valid Purchase Order number provided by the university, will be rejected and returned to the supplier/contractor. The only exceptions to this relate to supplies, see section 4 for full list.

4 Exceptions to No PO No Pay Policy

The following expenditure/circumstances do not require PO’s. The exceptions list currently covers;

- Telecommunication services (landline and mobile)
- Utilities (i.e. electric, gas, water, refuse)

- Grant (payments) to research partners and collaborators, where the university acts as lead partner
- Rent (where covered by a signed long-term lease agreement) – short term rental requires a PO
- Rates (council and water)
- Payments to individuals (scholarships, bursaries, salaries, travel expenses, prizes, awards and refunds)
- Purchasing and credit card payments.
- Travel (where approved via the Travel Management Company).

This list is under constant review and any further changes will be communicated to our suppliers via email.

5 Invoice Processing

All invoices must be addressed to DMU and emailed as a PDF to;
financepayments@dmu.ac.uk

Invoices received without a current valid Purchase Order number or an incorrect Purchase Order reference will be returned unpaid to the supplier/contractor.

The supplier/contractor will be instructed to contact the university employee who requested the goods, services or works to obtain the necessary Purchase Order information. Please ensure that any Purchase Order numbers quoted are current and valid.

**Copies of both De Montfort University (DMU) Procurement Policy and De Montfort University (DMU) Financial Regulations are available upon request.*