No PO No Pay Policy

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No PO No Pay Policy

MAPP mandates the utilisation of purchase orders for acquiring goods and services. This No PO No Pay Policy guarantees appropriate authorisation, budget oversight, and accountability in procurement and purchase ledger procedures. Therefore all goods or services will necessitate either a work order generated within the Riskwise system (*which imports as a purchase order into Proactis*) or a purchase order initiated within the ProactisP2P solution.

Policy details

PO Requirement: All purchases, including goods and services must be accompanied by an approved purchase order unless documented in the exception section below.

<u>Riskwise</u>

- Planned PPM jobs - These DO NOT need to be put through RiskWise's Service Desk Module as reactive jobs. They should already be built into Proactis Planned PO's process
- Fully comprehensive contract fixes will need to be still raised through RiskWise's Service Desk Module as reactive jobs as first time fixes may be capped a value which is exceeded and a record of this needs to be kept.
- Overtime requests for suppliers, site stationery, Do Not need to be entered into RiskWise, they can be adjusted in Proactis via the Planned PO process

Exceptions:

Exceptions to the purchase order requirement are applicable to the following only:

- Head rent
- Service charge / rent
- Emergency work orders raised in Riskwise
- Utility
- Client instructed
- Rates
- TV licensing
- OFCOM subscriptions
- Telephone
- Insurance
- Direct heating / cooling charges (from Energy co's)
- Legal fees
- MAPP Fees

- New clients onboarded will have a three month window before purchase orders are required. This will allow for the suppliers to be transferred to the Procurement temporary supplier list and then de-instructed and or transferred to the MAPP preferred supplier list.
- Riskwise reactive jobs - Riskwise work orders once fully approved will import directly into Proactis in realtime. There is no requirement to create a PO.

However, such exceptions will be subject to rigorous review and must comply with this policy.

Invoice processing

Only invoices referencing an approved purchase order will be processed for payment. Invoices received that do not fall within the defined exception list without a corresponding purchase order will be returned to the supplier without payment immediately by the Purchase ledger team.

Dispute resolution

Any discrepancies between the purchase order goods and services received, and invoices must be resolved promptly by the respective departments and suppliers. Payments will not be processed until discrepancies are resolved.

Non-Compliance

Failure to adhere to this policy will result in delayed payment and escalation to the individuals line managers / senior management team.

Benefits

- ☑ Control and oversight- purchase orders provide a structured process for ordering goods and services, allowing for more efficient control and oversight of spending.
- ☑ Budget management - by creating purchase orders we can better manage property budgets by tracking committed invoices against expenditure.
- ☑ Work orders for "reactive" tasks in Riskwise are currently being imported into Proactis P2P, where they automatically generate pre-approved purchase orders.
- ☑ Significantly reduces the volume of invoices requiring business approval as subject to controls and tolerance invoices are automatically matched to purchase orders.
- ☑ Risk mitigation - purchase orders help mitigate risks such as unauthorised purchases, overbilling.
- ☑ Standardised purchasing processes.
- ☑ Enhance financial management, operational efficiency and transparency.

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What do we need you to do?

BM, FM, Surveyors and Client Directors

- Work with your Suppliers to ensure they quote the purchase order number on all invoices (avoids invoices going to exception and being rejected)
- Ensure purchase orders are raised for all business expenditure unless they are out of scope exempt. If the works relate to emergency works, please ask your supplier to quote "Emergency works" in the purchase order field
- If the works are non-recoverable please ask your supplier to quote "Non-Rec" in the purchase order number field
- Ensure adherence to the No PO No Pay policy

Purchase ledger

- Query / return any invoices received that do not apply to the exception list to the Supplier via the IC query functionality stating that the purchase order is required and to ask them to contact the MAPP person who instigated the works.
- Ensure all invoices are returned via the IC module so there is an audit trail of all correspondence.

Implementation

This policy will be shared on Beekeeper to distribute to their respective teams. The policy will also be uploaded to the wikiMAPP platform.

Reviews and updates

This policy will be reviewed periodically to ensure effectiveness and compliance with evolving business needs. Updates and revisions will be communicated to all relevant teams accordingly.

Exception reporting

The purchase ledger team will be able to report on any invoices rejected via the Proactis IC module reporting functionality or IC Power BI model. Initially, this report will be escalated to the Client Director. Should it evolve into a more substantial issue, the Senior management team will be notified accordingly.

Training and communication

This document will be used for training in Juno. This will be mandatory for all BM, FM, site staff, Surveyors and Client Directors.