

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg.

Cardiff Council No-PO-No-Pay (No Purchase Order, No Payment) Guidance Note for Cardiff Council Suppliers

1. Introduction

To support an efficient and controlled ordering and payment process, a No PO No Pay (No Purchase Order, No Payment) Policy is in effect. This Policy draws its authority from the Council's [Financial Procedure Rules](#), specifically the *Ordering and Paying for Works, Good and Services* section. The following Key Controls relate directly to this Policy:

- *official orders are raised for all works, goods and services supplied to the Authority except for internal services, periodical payments (e.g. utility payments), and for petty cash purchases, or such other exceptions as the Corporate Director, Resources may approve (clause 5.97)*
- *goods, works and services received are checked to ensure they are in accordance with the order. (clause 5.113)*

The Council will only make payments to suppliers and contractors where their invoice (whether paper or, preferably, electronic) contains a valid purchase order (PO) number, unless a pre-agreed exception applies – see section 5 under the FAQ (Appendix I). In all cases the Council is always looking to ensure that all spend is authorised before goods, services or works are provided.

2. Links to Key Documents

[Cardiff Council's Constitution](#) – includes the Contract Standing Orders and Procurement Rules, and the Financial Procedure Rules

Appendix I - FAQ

1. **Why does the Council have a No PO No Pay Policy?**

The No PO No Pay Policy will ensure that the Council only pays for goods, services and works which have been correctly ordered and authorised. This will help reduce payment processing times, allowing suppliers and contractors to be paid promptly. Any invoice received without a valid PO number will **not** be paid and will be returned to the supplier.

2. **How will the No PO No Pay Policy be managed?**

In the majority of cases, suppliers will be instructed to submit their invoice to the Council's central Accounts Payable (AP) team in County Hall. All invoices that the AP team receive without a valid PO number will be returned to the supplier, informing them that they should not be taking orders from the Council without a PO number and what they need to do to resolve the matter. (See Q8 below)

For standard POs, there should be no requirement for the directorate placing the order to see the hard copy / PDF invoice. If oversight of the invoice is required, the directorate can view the invoice on the Council's corporate purchasing and payment system (SAP), or, if this is not possible, they can request a copy from AP.

3. **Will compliance with No PO No Pay be monitored?**

Yes. Accounts Payable and Procurement staff will be monitoring compliance with No PO No Pay and working with directorates and suppliers to address non-compliance by providing training, guidance and support. Where repeat non-compliance occurs, this will be escalated to the relevant manager within the directorate. Where there is persistent non-compliance by a Council employee, action will be taken in accordance with the 'Unacceptable behaviour at work' section of the Council's Disciplinary Policy'.

4. **Where does the PO number come from?**

The PO number:

- will be generated from the Council's corporate purchasing and payment system (SAP); and
- should be given to the supplier or contractor BEFORE making any commitment to spend Council monies.
- Valid PO numbers on SAP will be in the format '45nnnnnnnn' where 'n' is a number or '30nnnnnnnn' where the order is the result of a formal agreement between the Council and a supplier.

Confirmation Orders are where an 'unofficial order' is placed over the phone or via email. In these circumstances, the directorate must raise an official order on SAP within 3 working days so that the PO can be provided to the supplier so that it can be included on the invoice.

In exceptional circumstances, an Emergency Order can be issued from an official order book (issued by AP, orders commence with "E"). Emergency Orders must be entered onto SAP within 3 working days of the emergency order being issued.

It is important for suppliers to note that they are at risk of not being paid if their invoices do not include a valid PO number or, at best, they will experience a delay in receiving payment.

5. What are the exceptions to the No PO No Pay Policy?

For some services, it may not be always practicable for a PO to be raised. Therefore, the following circumstances do not require POs but they are still encouraged. This list is under constant review and any further changes will be communicated to our suppliers by email and through the Council's procurement website. The Exceptions List currently covers:

- Telephones (landline and mobile) - where possible the Council works with suppliers to consolidate utility bills in order to minimise processing costs
- Utilities (i.e. Gas, Electric, Water) - where possible the Council works with suppliers to consolidate utility bills in order to minimise processing costs
- Photocopiers
- Postal Services
- General Provisions (Food and Drinks) - Cardiff Catering only
- Grants
- Rents
- Payments to or on behalf of Public Bodies - this refers only to non-procurement related payments. An order should be raised in respect of any procurement related spend
- Entertainers
- Subscriptions to Magazines / Societies
- Payments to Individuals (Evening Class Refunds, Foster Payments, Volunteers, Expenses, Prizes, etc.)
- Purchasing card payments (see Q10)

6. I have supplied goods or services to Cardiff Council, where do I submit my invoice?

The Purchase Order will continue to notify suppliers where to submit their invoices. In majority of cases, and in support of the No PO NO Pay Policy, suppliers will be instructed to submit their invoices to the Accounts Payable Team in County Hall for processing and payment. Please consult the Purchase Order for details on where to submit your invoice.

7. I have submitted an invoice, how long will it take me to get paid?

From the date which the Council receives a valid invoice, we are committed to pay it within 30 days, as per standard contracted terms. This is measured from the date the invoice is received to the date the payment is released, and does not include the two days allowance for BACS transfer.

If otherwise agreed in advance, suppliers may be paid in less than 30 days. Small, micro and individual suppliers will have their payment prioritised and processed faster in order to improve cash flow. Medium

and large suppliers are also able to opt into the Premier Supplier Programme if they also wish to receive payments faster. For more information on the Premier Supplier Programme, please contact BuyingResponsibly@cardiff.gov.uk.

If an invoice is received without a valid PO number, this will not start the 30 day timer as it will not be considered a valid invoice. This will be returned to the supplier and is likely to lead to a delay in payment.

8. An invoice has been returned to me, where do I get a PO number?

Contact the Council officer who gave the original instruction to supply the goods, services or works and ask them to provide a PO number. Once obtained, please re-submit your invoice ensuring that the PO number is quoted.

9. What should I do now?

Please ensure that you do not accept any verbal or written order from a Council officer unless a valid PO number is given or there is a valid exception as set out in Q5 applies, or if it is an emergency order.

If you do accept 'unofficial order' over the phone or via email, then please ensure that you receive an official order with a PO within 3 working days so that the PO can be included on your invoice.

10. Can I use Purchase Cards?

Purchase card payments are a much more efficient payment system, which ensures that suppliers receive payment for goods efficiently, normally within 2-3 days. P cards are best suited to payments which are relatively high in frequency and low in value. If a Supplier thinks P Cards could be an option for their business with the Council then please email EPSD@cardiff.gov.uk

11. Where do I get further information on NO PO No Pay?

Please also visit our website at www.cardiff.gov.uk/procurement or if you have any specific questions then please email them to BuyingResponsibly@cardiff.gov.uk