

# 5 Step Process for Purchasing:

## Sourcing and paying suppliers/individuals for any goods or services for your Club or Society

The Union, along with all other organisations in the UK, are under a legal duty to verify that the suppliers that we use are properly registered and paying any relevant taxes to HMRC.

To ensure we, and our Clubs and Societies, are fulfilling this obligation the procedure below is in place.

Any queries please contact The Union for guidance.



### 1. The Club/Society must verify the supplier's credentials.

- a) Does the supplier operate as a Limited Company, a Limited Liability Partnership, or as a Registered Charity, or CASC Community Amateur Sports Club? If they do, ask them what their registration number is. Search for that number on either the Companies House, Charity Commission, or on HMRC's website to verify their details:  
<https://beta.companieshouse.gov.uk/>  
<http://apps.charitycommission.gov.uk/showcharity/registerofcharities/RegisterHomePage.aspx>  
<https://www.gov.uk/government/publications/community-amateur-sports-clubs-casc-registered-with-hmrc--2>
- b) If the above answer is no, they are probably operating as a Sole Trader or Partnership, or under Self Employment. The supplier must complete a **Contract for Services** (available from The Union) and provide **proof of their relevant insurance** and **proof of their UTR number**. A UTR number (Unique Tax Reference) is 10 digits long and is the number the supplier will quote when paying tax on their profits. Proof should be, for example, a copy of a letter from HMRC showing the supplier name and UTR, but other confidential information can be redacted. The contract and all pieces of evidence will be retained by The Union's Finance Office.
- c) If you cannot verify the supplier's credentials then they may not have formally registered with HMRC for a variety of reasons (for example, they are an unincorporated not-for-profit organisation, or are simply taking "cash in hand"). It is The Union's prerogative to choose not to buy from any such supplier so, unfortunately, you must not use them for your Club/Society.
- d) Finally, complete a **New Supplier Form** (available from The Union) which will be retained by The Union's Finance Office.

#### PLEASE NOTE:

- All **coaches/instructors** must provide evidence of their public liability & professional indemnity insurance (min. £1million), their qualifications and their first aid proficiency.
- Any type of supplier can be registered for VAT or PAYE and this has no impact on this procedure.

### 2. Obtain a quote and ensure there is enough money is your Club/Society's account.

- a) A staff member in The Union can check your account balance for you; you may have collected payments through your website, or you may have paid money in at Finance to cover the cost.

- b) Remember that the money must be in your account before an order can be placed as Club/Society accounts cannot go overdrawn. Always ensure quotes are inclusive of VAT.

**3. Place your order by completing a Purchase Order (PO) in The Union and then sending a copy to the supplier.**

- a) PO's need to be signed by 2 of your 3 Club/Society signatories and then authorised by a manager in The Union.
- b) PO's should contain or be accompanied by all the specifics (sizes, personalisations, delivery date deadlines, times, colours, quantities etc).
- c) The PO can then be posted or scanned and emailed to your supplier – **this means the order has now been placed.**

**4. Supplier provides goods/service and sends an invoice.**

- a) The invoice must be addressed to The Union, and not addressed to a student (The Union's address details are on the PO).
- b) It is important you check your goods/services promptly against your PO and against the invoice received, to ensure any errors are reported to the supplier so they can be rectified. Many suppliers have a 2/3 day window after which goods/services are assumed to be correct and payment is due.
- c) Some suppliers may ask for payment up front so they will have to provide an invoice up front so the Finance Office can make payment. The supplier may call this invoice a "pro-forma invoice" which just signifies the fact that payment is required up front.

**5. Pass invoices that are ready to be paid to the Finance Office and they will be paid in due course.**

- a) We pay everything by BACS. This means that once Finance process the payment it will take 3 working days to clear into the supplier's bank account.
- b) We can hold back payment of an invoice until errors are rectified but we cannot obviously do this for suppliers who were paid up front.

*NB: If the supplier's credentials have previously been verified in step 1, then you can skip to step 2 the next time you want to use that same supplier. However, if the supplier needed to complete a Contract for Services you MUST ensure the contract hasn't expired. If it has their contract needs to be renewed.*

**Contact us:**

<a href="mailto:s.u.societies@mmu.ac.uk">s.u.societies@mmu.ac.uk</a>
<a href="mailto:s.u.sport@mmu.ac.uk">s.u.sport@mmu.ac.uk</a>
<a href="mailto:s.u.finance@mmu.ac.uk">s.u.finance@mmu.ac.uk</a>
0161 247 1162