

Introduction of No PO, No Payment Policy (from 1st March 2016).

The Trust has used an electronic Purchase to Pay process (P2P) for a number of years using Oracle Financials software. Requisitions are created by end users and filtered through the Procurement Department to be generated into Purchase Orders (POs). Although we operate a strictly controlled P2P process, we currently also receive invoices without a PO number, i.e. our suppliers support the NHS by taking verbal instructions, in good faith, from staff to fulfil their order requirements. This can mean that invoice payments might be delayed as there is no valid PO to support a requisition and it typically takes longer to process and generate a manual receipt.

Suppliers increasingly expect a PO as a sign of good business practice. We absolutely hold the same view.

From March 1st 2016 we will be introducing a No PO No Payment Policy. We will strictly adhere to this policy and will return (unpaid) to suppliers any invoices not displaying a valid PO.

We want our suppliers to be paid in a timely manner for the excellent work they do in supplying the Trust with the important goods and services we require. A No Po No Payment Policy allows the Trust closer control over spend before it is committed, ensures that spend is appropriately approved and ensures that only the right suppliers and their products are used. Matching invoices to POs and confirming the receipt of goods and services provides a more robust audit trail and also helps in mitigating the potential risks from fraud.

In order to make the transfer to the new policy as smooth as possible there is a set of frequently asked questions (FAQs) related to the policy, attached at Appendix 1.

Please ensure this letter is passed to the appropriate individuals and teams within your organisation and ask them to ensure that PO numbers are used on ALL correspondence with our organisation.

Your assistance in ensuring the smooth implementation and the realisation of benefits for both the Trust and our suppliers is appreciated.

Appendix 1 - Frequently Asked Questions

Q. What is the No Purchase Order No Payment Policy?

From the 1st March 2016 the Trust is implementing a “No PO No Payment” (No Purchase Order No Payment). We are doing this order to reduce processing times, streamline the process for payment of invoices and to have greater control over ordering. In effect this means, as a supplier, you displaying a purchase order number on any invoices that you send to us. Without an official Trust purchase order, payment of supplier invoices *could* be delayed.

All suppliers of goods and / or services to the Trust must only accept a verbal or written order when a purchase order number is given. **Any invoice received that does not quote a valid purchase order number will not be processed and will be returned (unpaid) to the supplier.**

Q. Will I be paid any quicker if I quote a PO number?

Standard payment terms are 30 days from date of invoice. Suppliers who are happy to receive payment with longer terms or by splitting invoices can still be accommodated within this new process/policy. Invoices received without a valid PO number quoted will not be paid and will be returned and this could lead to a delay in the payment process.

Q. What does a PO number look like?

All valid PO numbers are either

- Standard PO's are 10 digits long and start with a 4
- Pharmacy Orders are 10 characters long with 3 letters and 7 numbers
- Estates (Backtrack) Orders are 8 digits long with 3 letters and 5 numbers

Q. Past invoices without a PO number have been paid by the Trust. Will this still happen?

As a result of formalising our purchasing arrangements, from 1st March 2016 all financial commitments for goods and services must be made using a valid purchase order.

As part of the 'No PO, No Pay' policy the supplier is expected to put the valid PO number on the invoice, otherwise it will be returned.

Q. An invoice has been returned requesting a valid PO number be quoted. How can this be obtained?

You should contact the member of staff who gave the original instruction to supply the goods / services and ask them to provide a valid PO number. When obtained,

you should send a replacement invoice, quoting the valid PO number to Accounts Payable (insert email address if appropriate) at the Trust.

Q: I currently provide you with goods / services by standing order but do not have a PO number, what should I do?

We are using our systems to identify where this issue exists. Where there is a valid/live contract suppliers will be issued with a PO number so that they can invoice at the next due date using a valid PO number. Where such instances exist that have not formally been advertised and tendered the issuing of a PO number may take longer. If you believe you fall into the latter category please email the Purchasing Department using the following email address purchasingenquiries@york.nhs.uk

Q. What happens if I currently get paid in a different way?

The Trust does use purchase cards for low value and one off purchases. If you have received payment in this way before it will still be valid. (Card payments do not usually have an invoice sent prior to their payment i.e. the purchase and payment usually taking place as one transaction. Where an invoice is sent as order confirmation a PO number is not required).

Q. Are there any exceptions to this policy?

The Trust has a short list of agreed exceptions (TBC – detailed below) to the No PO, No pay policy. We are making all Trust Officers aware of these agreed exceptions.

Unless you supply goods / services related to one of these exceptions you will require a Purchase Order number for your invoice to be processed without delay.

Q. What should I do if I am not a supplier and I have received a letter?

Some individuals who have received payments/grants from the Trust in the past have been recognised in our accounting system as suppliers. This letter has gone to all our known suppliers. If you have received a letter and do not provide us with goods and services (or no longer supply us with goods or services) please disregard the letter and we apologise for any inconvenience.

Q. Is there anything I can do to be prepared?

Increasing suppliers submit their invoices electronically by email. If you would like to do that before the switch then please email them to accountspayablegroup@york.nhs.uk or payments@york.nhs.uk

Q. I have a question related to this policy which isn't listed in the FAQ's. What should I do?

If you have a question please email the Purchasing Department using the following email address. purchasingenquiries@york.nhs.uk