

## Finance

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# No Purchase Order, No Pay Policy

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### 1. What is the No Purchase Order, No Pay Policy?

The University operates a fully enforced “No Purchase Order, No Pay” (‘No PO, No Pay’) Policy. **This means that any invoice 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 University has a wide range of suppliers and payments. If you are in any doubt as to the process or PO requirement your primary point of contact is the Accounts Payable team at [accounts.payable@lboro.ac.uk](mailto:accounts.payable@lboro.ac.uk) or 01509 222018.

### 2. What are the benefits of a “No PO, No Pay” Policy

- Ensures that purchases are authorised before goods, services and works are supplied.
- Removes potential risk to the University by formally agreeing the terms of engagement before the supplier/contractor commits to deliver.
- Enables the University to process invoices efficiently, ensuring a positive payment profile with suppliers/contractors. The University’s standard payment terms for invoices submitted against a PO are 30 days from date of invoice.
- Allows accurate timely reporting, budgeting and forecasting across the University

### 3. How do I raise a Purchase Order and how will invoices be paid?

Designated staff within Schools and Services can raise requisitions within the University’s Finance System (Agresso). The value and type of purchase will determine the level of approval required before a purchase order number is issued to the requisitioner. Step by step guides of how to raise a requisition can be found on the Finance Office website.

Once requisitioners have been issued with purchase order number they should issue this to the supplier/contractor in advance of any goods or services being supplied.

Suppliers/contractors should send invoices directly to [accounts.payable@lboro.ac.uk](mailto:accounts.payable@lboro.ac.uk) quoting a valid purchase order number. Any invoices received without a current valid purchase order number (or an incorrect purchase order reference) will be returned unpaid to the supplier/contractor. Note: Proforma invoices, which cannot be used for VAT purposes, will not be processed.

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. If a limit order is issued to the supplier, please ensure that the value has not already been completed or exceeded with the placement of the new commitment.

If an electronic invoice is not available, printed invoices can be sent directly in the post to the below address, although this will lead to delays in processing and payment:

Finance Office,  
Rutland Building,  
Loughborough University,  
Epinal Way,  
Loughborough,  
Leicestershire,  
LE11 3TU

#### 4. What are the exceptions to the “No PO, No Pay” Policy

The following items may be purchased without an approved PO. The majority of the below have dedicated processing routes, and requests for payment should be submitted using the methods shown against each item:

Payments **to employees and students** that are not procurement related:

- Payroll and payments to providers who are required to be treated as employees for tax purposes e.g. some self-employed workers, or workers acting via intermediaries (i.e. caught by IR35) (processed via payroll)
- Reimbursement of claims for costs within the scope of the [Expenses Policy](#)
- Stipends, scholarships, bursaries, grants and similar payments (mainly administered by Academic Registry).
- Prizes, awards, project allowances and similar payments (where within the scope of the [miscellaneous payments](#) process).

Payments to **third parties**

- Purchases made using purchasing cards – where purchases made are within the scope of the [P-card policy](#).
- Travel and accommodation booked through [Clarity Travel mandatory contract](#)
- Banking services
- Insurance excesses
- Non-procurement related payments to public bodies, e.g. HMRC
- Loan repayments and payments to investment managers and counterparties
- Other small payments where it is not reasonable for an invoice to be provided (e.g. match officials, participation payments to research participants etc).

The following purchases are **exempted from the requirement for a purchase order to be raised prior to an order being placed**.

- Freight forwarding - a retrospective PO is acceptable, though raising a blanket PO which anticipates likely demand and is then called off against as and when required, is advised.
- Urgent requirements (for example Out-of-hours emergency repairs, or short notice requirements for temporary staff) - a retrospective PO is acceptable, though raising a blanket PO which anticipates likely demand and is then called off against as and when required, is advised).

#### 5. Version Control

Version	Date issued	Approved by	Comments
1.0	Nov 2020	Director of Finance	Created for introduction of No PO, No Pay
1.1	Sept 2023	Director of Finance	Amended for Sept 2023 changes to purchasing policies.