

## No PO, No Pay Policy

University regulations and policies require that University employees must:

- use a University approved supplier in compliance with the Procurement Regulations
- not commit University funds without prior issue of a purchase order
- raise an appropriate purchase order, gain its approval and communicate the purchase order number to the supplier/contractor

Therefore, effective **1 November 2020**, the University will operate a fully enforced “No Purchase Order, No Pay” (‘No PO, No Pay’) Policy with all suppliers and contractors. **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 operated a PO policy for a number of years although in the past invoices without a PO have been paid.

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.

## Benefits of “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

## Invoice Processing

Suppliers/contractors should send invoices directly to [accounts.payable@lboro.ac.uk](mailto:accounts.payable@lboro.ac.uk) for processing 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

### Exceptions to “No PO No Pay” Policy

The following expenditure/circumstances do not require POs:

- **Travel and accommodation** - that is booked through [Key Travel mandatory contract](#)
- **Mileage and subsistence**- where expenses are within the scope of the [Expenses Policy](#)
- **Purchasing Card payments** - where purchases are made within the scope of the [P-card Policy](#)
- **Visas**
- **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
- **Out-of-hours emergency repairs** - 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)
- **Banking services**
- **Insurance excesses**
- **Compensation payments** - made to research participants
- **Non-procurement related payments to public bodies**, e.g. HMRC
- **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)
  - Stipends, scholarships, bursaries, grants and similar payments to students
  - Prizes, awards, project allowances and similar payments

Whilst many of the above exceptions have dedicated processing routes, the following forms are available on the finance website for processing transactions

- Invoices for expenditure listed above should be submitted electronically to [accounts.payable@lboro.ac.uk](mailto:accounts.payable@lboro.ac.uk) accompanied by a completed and approved copy of [Payment form A – Invoice without PO](#).
- Where it is not reasonable for an invoice to be provided (e.g. student prizes, payments to research participants) a completed and approved copy of [Payment form B – No PO or invoice](#).