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Preferred supplier strategy**Why and how**

- Business objectives: to only purchase from suppliers who satisfy minimum quality requirements and to simplify smaller purchasing decisions made by non-purchasing personnel.
- Purchasing team identifies a range of preferred suppliers from whom agreed products can be purchased without sourcing competitive quotations.

Certified supplier strategy**Why and how**

- Business objectives: to ensure minimal disruption to the production process.
- Only use suppliers who have met specified quality requirements.

Apply purchasing strategies

An organisation may have an overall purchasing strategy, such as reducing the total number of suppliers or reducing total cost, but there may be times when an organisation needs to make an exception to its core strategy to satisfy a particular purchasing need.

Here is more about applying purchasing strategies.

Exemptions may be justified

Even if an organisation has a policy of using the lowest cost alternative product to meet the purchasing strategy, the buyer may seek approval for an exemption if the cheapest alternative will not meet the quality requirements. In most organisations, exemptions from the strategy generally require specific approval.

Different strategies for different goods

An organisation may generally adopt a low-cost purchasing strategy for products it considers have a low impact on the organisation, such as office or kitchen supplies. However, it may decide only to use suppliers who have an external quality certification, such as ISO 9001, that governs their business practices for inputs to the production process, even if this makes the products more expensive.

Here are several factors to consider when you are deciding whether to accept a gift or invitation.

Value of the gift

If a gift is worth more than \$50, check with your supervisor whether you may accept it. If not, you can either return it to the supplier or arrange for it to be donated to charity if you think your refusal may offend the supplier.

Nature of the gift

You may not feel comfortable accepting personal gifts from a supplier. Some organisations do not allow employees to accept alcohol. Organisations may be more inclined to allow employees to accept gifts that are marked with the supplier's logo.

Nature of the invitation

If a supplier representative is also attending a function, then it is generally acceptable for you to attend. Some organisations limit the number of invitations you may accept from a supplier within a given period; for example, one per quarter.

Supplier motivation

If you believe that the supplier may expect you to favour them over a competitor in a purchasing decision as a result of the gift or invitation, or to offer more favourable terms, then it is better to decline. The most important thing is to remain objective in your purchasing decisions.

Confirm intentions

It is important that you never solicit or ask for gifts or invitations from a supplier. You should not request something from a supplier that would not be available to other employees in your organisation. If you are ever concerned that there could be a misunderstanding about whether you have accepted something, or your reasons for accepting something, then it is best to confirm your intentions in writing.

Most organisations take their code of ethics very seriously. Breaches can result in disciplinary action. If you are ever in doubt, then advise your supervisor or human resources representative of any gifts or invitations you have been offered or received.



Receive approvals first

It is critical that proper approvals are received before a supplier is given the authority to proceed. In many organisations, sending an approved purchase order to the supplier or providing them with an approval number is sufficient authority to commence production or dispatch goods that are already produced.

Under most terms and conditions, any costs incurred by the supplier before they have received the purchase order are at their own risk. For example, if they start production or dispatch goods while you are waiting for final approval, and then approval is denied by management, the supplier may not be paid for these goods. Since this can create an awkward situation, it is critical that you obtain all approvals before work commences.

Be clear on limits

You should be very clear on what you are authorised to purchase without further approvals. This can sometimes be quite complex. For example, you may have a higher authorisation limit for approved suppliers than for new suppliers or you may be able to authorise a \$1,000 spend with any supplier but even a small change to the purchase order requires approval from your supervisor. If in doubt, check with your supervisor. In general, the purchasing or finance departments in most organisations can provide advice on purchasing authority levels for different job descriptions.

Process purchase orders

A common sequence of events for processing a purchase order is outlined below. Not all of these steps are always required, particularly when ordering standard goods from an approved supplier.

Here are steps that may be included in processing a purchase order.

Processing a purchase order

1**Develop a product or service specification**

This that explains in detail what is required, by when, in what quantity. A supplier needs enough information to develop a quotation. Organisations may require approval of this document before it is distributed to suppliers for high-value or customised items.

2**Submit a request for quote to the supplier or suppliers**

The product specification and any standard request for quote forms are sent to the supplier or suppliers. This includes a deadline for submitting quotes.

A purchasing role and its limitations

Different organisations structure their purchasing in different ways. Sometimes all the purchasing for an organisation is centralised; that is, it is all done by a dedicated buyer or group of buyers. Other organisations adopt a decentralised purchasing process, where each department is responsible for its own purchasing arrangements.

Some organisations adopt a combined approach, where high-value or specialised items are purchased centrally, but lower value or frequently used items are purchased as required by the departments that need them.

There may be defined limits to your involvement with the purchasing process. These limits will vary depending on your role, the organisation and the purchasing model used by your organisation.

Here are some examples of purchasing limits.

Expenditure approval limits

You may be authorised to approve a purchase up to a certain financial limit. Generally, expenditure limits are related to your job function, so if you have transferred to a new position within your organisation, you should confirm whether you have retained your previous approval limits before approving any purchases.

Product category limits

You may be authorised to approve different amounts depending on the type of product or service being ordered. For example, some high-use goods, such as office equipment or kitchen supplies, may have different limits from other discretionary products and services.

Approved supplier limits

There may be different approval limits when working with approved suppliers. You should make sure that you understand who the approved suppliers are and what products or services you are authorised to approve.

Centralised purchases

Even when products and services are purchased centrally, you may still be involved in the purchasing process. You may be required to complete a product or service specification for the buyer, so that they can request quotations from suppliers as part of a formal tender process. You may hold initial discussions with suppliers to understand whether they can quote on your requirements.

When working within this purchasing model, it is important that you understand the limits of your involvement. Usually the buyer must be present for any discussion about price or conditions of purchase. You may also be required to attend these discussions to support the buyer on the detail of your requirements. This is generally the case for more complex or high-value items.

Here is information about the typical roles in the approval process of employees working at different levels in an organisation. A suggestion is made as to what a typical limit is to the amount they can approve at their level.

Team leaders/supervisors**Role in approval process**

- Confirm the budget availability for the expense and provide input on the need for expense
- A supervisor may also provide initial approval
- Possible approval limits: \$500 for team leaders and \$1,000 for supervisors

Managers**Role in approval process**

- Provide approval following review of background and quotes
- Possible approval limit: \$5,000

Senior managers**Role in approval process**

- Provide approval following review of background and quotes
- Ensure purchase is consistent with company priorities
- Possible approval limit: \$20,000

CEO**Role in approval process**

- Provide approval following review of background and quotes
- Ensure purchase is consistent with company priorities
- Possible approval limit: \$50,000

Board of directors/owner**Role in approval process**

- Whether the board or owner has final approval will depend on the type of organisation
- Possible approval limit: unlimited

Non-discriminatory features

An underlying principle of the competitive tender process is that all potential suppliers are given equal opportunity to win the business.

The tender process is not fair if existing suppliers are encouraged to take advantage of what they know already about the buying organisation. For example: the organisation may have a long-standing relationship with a particular supplier, so that using terms or abbreviations unique to the buying organisation may give an advantage to this supplier over a new one.

Here is a summary of points about ensuring objectivity to consider when writing or reviewing a purchasing specification.

Ensuring equal opportunity

The same information must be provided to all suppliers in the tender process. Any additional information should be provided to all participants.

Each supplier should be given the same amount of time to respond to the purchase specification.

Information should be presented clearly, in a manner that is easily understood by all tenderers.

There should be no discrimination based on location or any other criteria, providing that the requirements of the purchasing specification can be met.

No information about one supplier's response should be provided to another supplier before they have submitted their own response.

Keep suppliers informed

Purchasing specifications are part of good communications between buyers and suppliers. They provide clear and concise information about what is required from the supplier, including the product being ordered, the supplier's response to the quotation and the timing of delivery.

Purchasing specifications provide a written record of what has been requested, which can be helpful in the event of a dispute. For example, a dispute may arise if a product is received but the buyer or requisitioner believes it is not what was requested.

There may also be a dispute if the supplier changes the price after the initial quote is accepted because they believe a requirement did not appear in the original specification. You should keep records of any amendments to the specification to assist you in the event of a dispute, reissuing the specification document to all suppliers if necessary.



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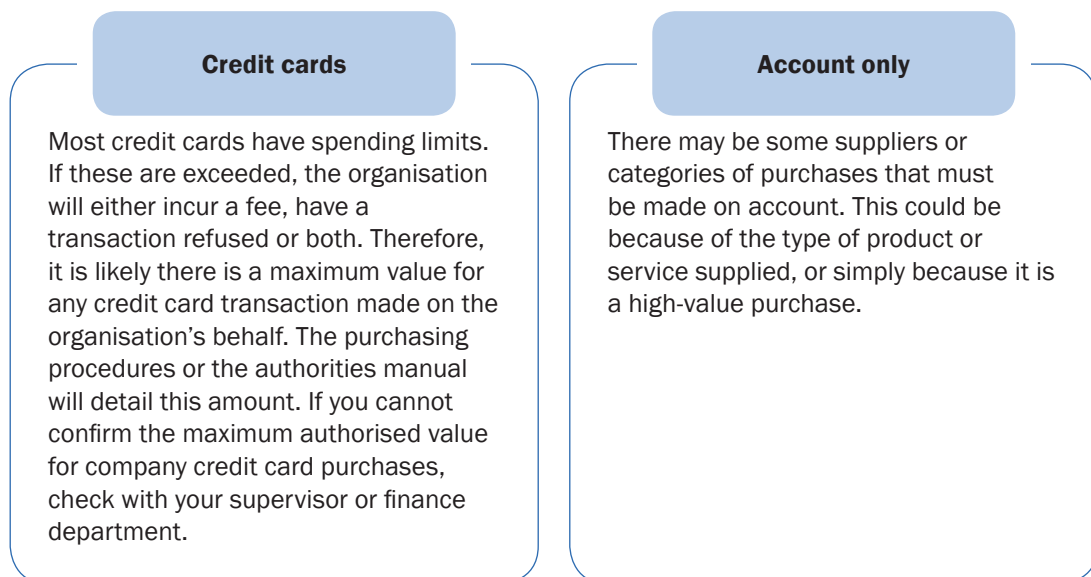
Purchases requiring quotes	Higher value purchases Purchases where different suppliers offer different features; for example, office equipment or furnishings	Provides the most information about a purchase ahead of making a transaction.
Supply agreements	Products or services required on an ongoing basis, usually according to an agreed pricing structure. May be used for some office requirements; also useful for inputs to manufacturing processes	Allows purchasing involvement in agreeing price and terms of purchase, but allows other staff to coordinate ordering.

Guidelines

When deciding on the best purchasing method to use for a particular purchase, you should first review the organisation purchasing policies and procedures. It is likely that there are guidelines about when particular purchasing methods may be used.

It is important that you gain the appropriate approvals before authorising a supplier to proceed, regardless of how the purchase is made. Most purchase order forms provide an opportunity to indicate the terms of payment and therefore the chosen purchasing method. This means that when you are gaining approval for the amount and type of purchase, you are simultaneously gaining approval for your chosen purchasing method. This will help prevent any confusion or concern when the payment is processed.

Here are some examples of rules that may be included in policies and procedures.



Most appropriate method

There may be times when you need to choose the most appropriate purchasing method. For example, there may be a purchase that can be made either with a credit card or petty cash, or you may need to decide whether it is worth setting up an account for a supplier that will accept a credit card transaction for the current purchase.

Providing that all alternatives are within the purchasing guidelines, you should exercise your judgment about the best purchasing method.

Choose an appropriate presentation method

Depending on the product or service you are sourcing, you may ask potential suppliers to provide a written proposal by email, deliver a presentation or submit prototype products for review. Whatever method you request, you should give equal opportunity to all suppliers. If you are holding a presentation, you should try to arrange for them to be delivered within a very short time span to ensure all suppliers have equal time to prepare. If a supplier cannot meet your suggested timing for presentation, offer them an earlier time rather than granting an extension.

Notify suppliers appropriately

The successful supplier should be notified as soon as possible after the approvals are received. Unsuccessful suppliers should be notified as soon as possible after the chosen supplier has accepted the business. This is to ensure the unsuccessful suppliers hear the news from the appropriate person at the purchasing organisation, rather than from another source.

Example: choose the best payment method

Simon works for a community centre. One of his responsibilities is to support fundraising activities. He is developing a flyer and leaflet to advertise the centre's annual street festival, which is its biggest fundraising event of the year. He needs to arrange printing himself. He decides to contact several of the printing outlets in the area for quotations.

Simon selects a company for the job. Not only is it the cheapest, but it will include express delivery in the price. He presents the recommendation to his supervisor for approval.

While they are discussing this, he mentions that the company accepts credit card payments. He thinks this is more efficient than establishing an account; firstly because of the paperwork required and secondly because he is only likely to use the printer once a year for the festival. Simon's supervisor agrees and authorises him to make the purchase on the organisation's credit card.



Company records and marketing material

You may choose to ask previous or existing suppliers to quote for the business. It may be helpful to ask other employees who have dealt with the supplier before for their feedback. If they have negative feedback, you may choose to invite other suppliers to quote instead.

Your organisation may previously have received marketing material related to the product or service you are purchasing. Review the file of material for potential suppliers.

An internet search

For relatively common products or services, it may be sufficient to conduct an internet search for suppliers. You may be able to use internet forums to gain feedback on the supplier or product. Be cautious in using these forums, as participants may have hidden agendas or limited knowledge. They can, however, be helpful in identifying questions to ask prospective suppliers.

Consulting with experts

Ask other employees in your organisation whether they are familiar with suppliers of the product or service. Alternatively, you can ask other organisations, friends, family or acquaintances, providing this does not breach any confidentiality requirements.

Purchasing personnel

Purchasing staff in your organisation can be a valuable resource about suppliers and their experiences with them. They may be able to provide contacts that can assist you further.

Understand key requirements

The purchasing specification is an important part of the request for quote process. It should provide all the information required for suppliers to provide a full and complete quotation. The level of detail required in a purchasing specification will vary depending on the product or service being purchased. Higher value purchases are likely to require a more detailed purchase specification.

If requesting a quote on common goods or services, such as office supplies, the purchasing specification may be quite brief. For example, the requisitioner may specify six boxes of recycled office paper to be delivered to the administration office next Tuesday, but is not likely to provide a technical specification, weight, dimensions or specific response requirements.

A detailed request for a quotation includes:

- technical specifications and key deliverables
- quantity
- availability
- intended purpose
- warranty
- delivery method and weight and dimensions of item
- terms and conditions
- response timing and requirements.

Suppliers' agreements

Respect suppliers' confidentiality agreements

Some tenders may require you, the potential suppliers or others involved to sign a confidentiality agreement. You should be sure that you clearly understand what you are being asked to sign and if you are unsure, speak to your supervisor or your organisation's legal representative.

Purchasers' agreements

Respect purchasers' agreements

Some standard purchasing terms and conditions include confidentiality clauses to protect the purchasing organisation. If this is the case for your organisation, ensure that all suppliers who receive a purchasing specification are aware of this inclusion.

Example: treat suppliers equally in competitive tender

Renee is the purchasing officer for a regional hospital. She has received a purchasing specification for replacing the chairs in the waiting area of the hospital. She meets with the hospital administrator, who wrote the specification, to clarify some details. At the end of the meeting, she tells the administrator that she will update the specification with the information the administrator has provided.

The administrator asks if she will use the same supplier who recently provided the furnishings for the children's ward and Renee explains that, because the furniture will cost more than \$2,000, the purchasing policy requires her to get at least three quotations before choosing a supplier. She will ensure that the previous supplier is given the opportunity to quote.

As the purchasing officer who is responsible for coordinating the competitive tender, Renee reviews the updated purchasing specification with the requisitioner, the hospital administrator. Although Renee cannot guarantee who will secure the tender or award the business to a previous supplier without carrying out the tender, she can accommodate the administrator's request that a current supplier be given the opportunity to quote.



Place your orders

After the supplier selection has been made and the approval process is complete, a firm order should be placed with the successful supplier. In most circumstances, this is the signal to the supplier to commence work on the product or service. Until this point, because the purchase may not have been fully approved, the supplier had no authority to proceed and no confirmation that they would be paid for the work.

A firm order is a commitment from the purchasing organisation that it will purchase the product or service under the agreed terms and conditions, and generally requires both parties to agree to any change, often with a fixed notice period.

If there are any special conditions related to the purchase, for example, a discount that is available providing the purchase is made by a certain time, it is helpful to confirm this in writing at the time of placing the order.

Here is more information about placing orders.

Supplier order form

Some suppliers may only process orders if they are submitted on their own paperwork. This is most likely for suppliers that have a large, detailed product range and want to ensure the correct product is supplied. They may require one of their forms to be completed. This will not replace the paperwork required within your own organisation. For example, you may need to complete a custom order form for a particular stationery supplier, but you still need to complete your own organisation's stationery requisition form, which outlines the total expenditure and provides for the appropriate approvals. You can attach a copy of the supplier purchase order to this requisition to avoid duplicating the paperwork, but it must not be sent to the supplier until the approval process is complete.

Online order

Some systems allow you to submit an order online. This can be very convenient and very cost effective for the supplier, as the order details can be transferred directly to their system without having to be processed again by the supplier. If you are processing an online order, ensure that you receive a record of the details of the order, whether it is emailed to you in confirmation or as something you can download or print from the system.

Topic 3

Receive purchases

Receiving purchases of products or services requires that they are carefully checked to ensure what is received is what was ordered or specified by the purchasing organisation and it is in good working order. Providing the receipts are correct, the receiving personnel can complete the receiving procedures, including ensuring products are recorded as new stock or on the organisation's asset register.

Any errors with the receipt should also be carefully recorded to ensure that payments reflect what was actually received, where this is different from what was ordered. Recording also allows organisations to monitor errors and identify improvement opportunities. Notifying affected personnel of non-compliance helps ensure that corrective and preventive actions are taken.

The receiving process creates many of the purchasing records required for financial records and official reporting requirements. These records must be carefully maintained so that they can be easily retrieved when they are required.

In this topic you will learn how to:

- 3A Receive goods and services
- 3B Advise relevant personnel when purchases are received
- 3C Check goods comply with specifications
- 3D Take action to fix noncompliance
- 3E Facilitate registration of new assets
- 3F File and store purchasing records

Discrepancies

If the receiving process reveals that an order is either incomplete or incorrect, claims must be processed against the supplier to correct the error. Discrepancies between the order and the receipt should be clearly documented.

The receiving personnel should complete a claim for any damaged or missing goods, or paperwork for the return of any goods sent in error. These documents may be unique to each supplier or your organisation may use standard documents for every supplier. They may be processed electronically as the order is checked.

Here are some examples of what the person receiving the incomplete or incorrect shipment must deal with.

Accept order

If the order is incomplete, receiving personnel need to decide whether the order should be returned completely or whether the partial shipment can be accepted.

If the order is for a large number of different, separate products, receiving procedures usually allow acceptance of part of the order. This prevents unnecessary delays in receiving the correct goods, and unnecessary expense and inconvenience in returning correct goods.

Record appropriately

To ensure stock records remain accurate, it is important that any missing goods are not wrongly recorded as having been received. For example, there may be an electronic system that automatically accepts an order and books it into stock. Receiving personnel should ensure that this is updated to reflect any missing stock in order to avoid errors in stock on hand and problems during stocktake.

Inform buyer

If a supplier has not met their obligations, then the receiving personnel, or whoever notices the discrepancy, should notify the buyer or purchasing officer as soon as possible. In general, it is most appropriate for the buyer or purchasing officer to raise this with the supplier, as they have the formal commercial relationship.

The receiving policies and procedures may authorise receiving personnel to handle claims up to a certain value or volume. The buyer or purchasing officer is usually responsible for broader, more commercial concerns. If discrepancies are consistent or are of particularly high value, then receiving personnel should ask the buyer to help them address these concerns.

Email notification

This is a more informal method of advising relevant personnel, yet it still provides a written record of the notification, if there is a concern in future. Email can be used to ask the requisitioner or user of a delivery to collect it. But email may not be appropriate if the delivery is urgently required, as there can be delays.

Fax notification

As with emails, faxes provide a written record of notification. Although less used nowadays, one advantage is that faxes can provide a copy of a formal document received from the supplier; for example, faxing a copy of the invoice to accounts payable provides them with a copy for their records, while the original is retained by either the requisitioner or the receiving area. Some organisations may require the original to be held by a particular area, so be sure you comply with your internal procedures.

Phone or personal contact

These are the best methods when a delivery is urgently required. If you cannot reach the person named on the delivery or you are not sure they are available, try to contact another person in their area who will take responsibility. It may be necessary to ask this person to sign for the delivery. This will depend on your organisation's procedures surrounding the internal movement of goods.

Electronic systems

Organisations that receive regular deliveries often have an electronic system that retains details of orders, receipts, stock on hand and so on. When these systems are in use, the receiving area updates them when stock has been received, and when it has been checked and released for use or sale to customers. Such systems are very convenient, because they provide information to all authorised users without the need for additional contact.

Condition

Conduct a visual inspection of all products for any damage. For some high-value, technology products, there may be a testing procedure. This may be specific to the product, so check your organisation's procedures. You may have requested specific changes to a standard product, so verify that these have been made.

Time sheet

For services, it may be more appropriate to check the time spent on the assigned job. This should be the same as or even less than the time noted in the original quote. If the number of hours claimed is higher than quoted, ensure you understand why and you secure any necessary approvals.

Deliverables

For some services, it may be more appropriate to check the outcome of the service than the time spent. You may have a check sheet summarising what should have been done or you may be able to check the outcome; for example, whether a computer is working again.

Example: standard warehouse procedures

How is an order checked on arrival in a warehouse? The following description illustrates what typically happens in a warehouse that employs a sophisticated system to check deliveries and account for and follow up discrepancies.

A large shipment of clothing arrives and Kerri, who works in the receiving area, counts the cartons, checks each one for damage and checks each address label. She notes that one carton is damaged, but a quick inspection of the contents shows there is no further damage within, so she signs the driver's delivery note.



Back inside, Kerri loads the consignment number into the computer system and then the items ordered against that consignment number change in status from 'on order' to 'at receiving'. A summary of each item is displayed and the quantities in which sizes that have been ordered from the supplier. She scans each item using a barcode scanner, so the system can identify it, and checks it against the order.

Once this is complete, she checks the report. One whole product line, a red jacket in various sizes, was not available from the supplier. She records this as 'not received' in the system and then approves the rest, which changes the status to 'received'.

Kerri then advises the warehouse supervisor that the received items can be put away. The supervisor updates the record so that the items show as being in stock or 'on hand'. Kerri looks up who ordered the stock and gives the buyer a call to notify them of the arrival of the shipment.

Take corrective action

Errors in shipments are reasonably common. Most organisations develop a procedure to limit the inconvenience and cost that occur as a result; that is, they take corrective action to address these errors.

Two common errors are products missing from an order and incorrect stock being received.

Here is some information about taking corrective action in relation to missing or incorrect supply of stock.

Missing stock

If missing stock that was ordered is still required, then the appropriate corrective action is to contact the supplier to arrange for delivery as soon as possible. If this is urgently required, then a courier or special delivery may also need to be arranged. The supplier may agree to bear the expense if they accept responsibility for the missing stock. If not, you may need to seek approval to fund the extra delivery charge.

It may be that the products were part of a stock order that is not urgently required. If the supplier makes regular deliveries and there is sufficient stock to cope with usual demand levels until that time, it may be appropriate to receive the missing stock with the next order. In this case, it is important that records are updated so that the invoice for the current order does not include the missing stock; otherwise it will be paid for twice. Accounts payable should be notified, either using an electronic stock system, email or an updated copy of the formal documents.

Incorrect stock

If a product is incorrectly received, then in most cases it needs to be returned to the supplier. The supplier may send someone to collect the product or collect it next time they make a delivery. Regardless, the stock needs to be stored somewhere where it is clear to all employees that it is quarantined and is not to be put into stock or used for other purposes.

Some organisations have a designated quarantine area for stock that is not to be used for a variety of reasons. If so, incorrectly received stock should be stored in this area, with the appropriate documents explaining why it is there and when it will be collected. If there is not a quarantine area, ensure that the product is safely stored and labelled in such a way that someone does not use it or put it away.

For incorrect stock that will be returned, the receiving personnel should ensure the delivery documents are updated so that the organisation will not be charged. The supplier may reissue the invoice without the incorrect items. Alternatively, they may ask that the invoice is paid in full and that the receiving organisation submits a claim for a refund. Which procedure is followed will depend on the organisation. You should ensure that you follow the agreed procedure and your organisation does not pay for products it has returned. If in doubt, consult the buyer or the accounts department for guidance.

For example, a large manufacturer may only require assets worth over \$5,000 to be registered, whereas a small consultancy firm may require all assets worth over \$1,000 to be registered.

Your organisation may require you to submit key information about the asset online, so that it is automatically entered into a central database. Alternatively, you may need to complete a standard form. Your supervisor or finance manager should be able to assist you with completing the asset register.

The organisation's structure may also affect what you are required to do to register assets.

Here is more about how to register assets.

Ways that assets can be registered
<ul style="list-style-type: none"> • The requisitioner or purchaser provides key information about the asset to the finance area, which then completes the register. • The finance area completes the register when the invoice is processed, according to the details on the purchase order. • The requisitioner or purchaser completes the register according to the workplace procedure.

Register assets

An asset register may include key information relating to the identity and purchase of the item, and information about its value and its disposal.

Here are some examples of key information about the purchase of an asset to be included in an asset register.

Description
A brief outline of the asset, including item name, make, model and manufacturer
Supplier
Details of the supplier, including contact information where relevant
Warranty information
Period of warranty, any key exclusions, general coverage information
Unique identifying number
A unique number that should be listed on all documentation related to that asset and also fixed to the asset itself

Quotation

This includes: detailed response on pricing and supply conditions, tax information, timing for quote validity.

Record of supplier performance

Details can include errors in orders, delivery issues and damage or service problems.

Purchase records for financial files

Here are some examples of financial files and documents that may be kept in the organisation's financial files.

Corporate credit card transaction documents

- These should be filed by credit card holder or credit card type and include details such as date, value, supplier and description.

Invoices, statements and payment requests

- These can be filed by supplier, purchase category or date. Details include date, value, supplier, description, tax details and total value.

Petty cash vouchers

- These are filed by date and include date, value and description.

Receipts

- These are filed by supplier, purchase category or date. Details include date payment received, outline of purchase, value, payment method and supplier information.

Purchase orders

- These may be held in financial files, as well as files of purchaser or requisitioner and supplier.

4**Preserve the document**

How long is the document required for? This may depend on the reason for recording the information. If it is for compliance reasons, guidelines determine how long it should be stored. If it is being retained for business purposes, you may need to exercise your judgment.

5**Destroy the document**

When the document is no longer needed, it can be destroyed. Shredding documents is one way to prevent the release of confidential information.

Organisational requirements for filing purchase records

Your organisation may have guidelines for how to classify documents. If so, you should follow these guidelines. Where you are classifying documents yourself, however, aim to remain clear and consistent in your methods. This makes it easier to locate documents in future, which saves time.

For example, an overdue reminder might be filed as 'Client name/Correspondence/Overdue notice 16/01/2016'. Other sub-folders in this client's directory might also include Contracts, Invoices, Orders, Receipts and Proposals. Structuring electronic files in this way makes it easy for other users to identify the document they are searching for.



Whether a document is stored in paper or electronic format will depend on the organisation. Original copies are still required for some documents. In general, electronic filing is more efficient, as it can be easily backed up, saves on storage requirements and can reduce paper usage.

When uploading documents to an intranet site, you may be required to indicate how long the document should be displayed. You should confirm with your computer support team whether the file is to be deleted once this date is reached or stored elsewhere but no longer visible on the intranet.