

YUVA

(YOUTHS UNION FOR VOLUNTARY ACTION)

HAZARIBAG

PURCHASE POLICY MANUAL

APPROVED BY THE GOVERNING BODY OF "YUVA"

IN THE G.B. MEETING HELD ON 03.05.2011

1. Purpose / Objectives :-

The purchase of goods and services is necessary for the smooth operation of the organization. The aim of the internal control system for the supplying of goods and services is to ensure orders are handled by individuals having skills in evaluating what purchases are required from suppliers offering the best deals, to ensure purchases made do not exceed the budget provided and to ensure purchased goods and services conform with the quantity, quality and price specified in the order.

- a. The correct goods or services are purchased, in terms of the correct quality and specification
- b. Best value for money is achieved
- c. The process is safe, ie risk of fraud is minimized
- d. The process is fast enough to meet program needs
- e. Grant conditions are complied with

2. Different Stages :-

The steps to go through for a particular purchase depend very much on the type of purchase:

- One off (eg consultancy service) or repeat (eg office stationery)
- Low, medium or high value
- Budgeted or not budgeted
- Subject to grant conditions or not
- Cash or credit purchase
- Fixed asset or consumable
- Routine or emergency

3. Methodology :-

We are following certain methods in purchasing goods, equipment and hiring services required for the needs of the organization or its projects. Use of competitive bidding shall be a priority practice. The first criterion in choosing a supplier shall be the lowest bid. However, if a supplier does not provide the required level of service or an adequate guarantee, then other criteria shall also be considered.

1. For purchases under Rs. 5000.00, a price survey by telephone of two suppliers will be sufficient for determining the supplier.

2. For purchases above Rs. 5000.00, a quotation/invoice shall be obtained from three local suppliers. A comparative study / Analysis will be prepared and presented before the already formed "Purchase Committee" and purchase committee will take the final decision.

3. For purchase of any specific items of any specific manufacturer (as demanded by the requisitioner) and only one local supplier then, no need of obtaining quotation and go through the bid / quotation analysis process.

4. Purchases from a sole source shall be explained in the purchase file.

5. For purchase of stationary items / hiring of lodging materials / supply of food / refreshment and like wise, organization shall obtain three detailed quotations from the local vendor / supplier. After the process of analysis of quotation & final approval organization will sign a contract with the specific vendor / supplier for a period of one year.

6. For any small purchase or emergency purchase value not exceeding Rs. 2000.00 no need of follow any of the above mentioned process except the already approved requisition.

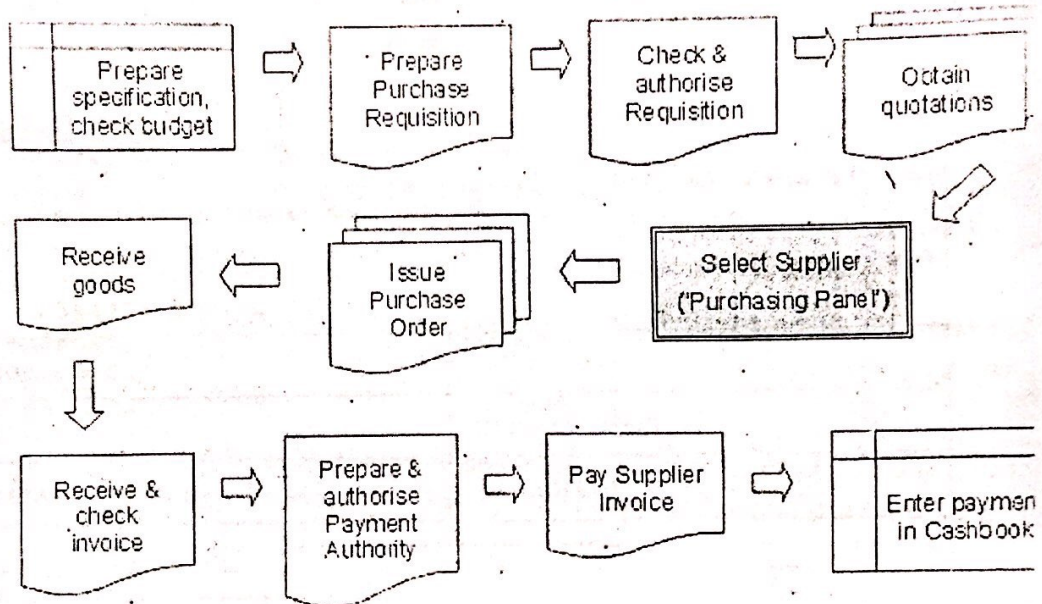
The purchase file shall contain all the documents pertaining to each transaction, i.e. the purchase requisition, quotations, contact information of suppliers purchase contracts or orders, invoices, delivery slips and any other pertinent documents.

4. Purchases / Paper work required :-

Employees making purchases as part of the project activity or organizational work shall follow these mechanisms:

- Purchase requisition
- Local Purchase Order
- Goods Received Notes
- Payment Requisition
- Payment Voucher
- Purchase decision record (or equivalent)
- Quotations and pro/forma invoices or records of telephone quotes obtained
- Proposals / Contracts (eg for consultancy services)
- Contracts (eg for services)
- Invoices
- Goods Delivery notes
- Receipts
- Budgets
- Grant agreements
- List of authorised suppliers
- Inventory / Assets Register
- Minutes of Purchase Committee meetings

5. Steps to be followed :-



6. Ethics to be followed :-

1. No purchase of any goods / items will be made which is illegal or illegally available in our country.
2. No purchase of any goods / items (knowingly) will be made in which "Child Labor" is involved.
3. To ensure accept "Tax Paid" bills / invoices as far as possible.
4. Prefer locally available goods / items with quality and price competitive.
5. Purchase from the local artisans / SHG's
6. Environment friendly

YUVA (YOUTHS UNION FOR VOLUNTARY ACTION), HAZARIBAG

Amendment in Purchase Policy of the Organization

Approved by the Governing Body of the Organization in the meeting held on 25.06.2016 and in the AGM of date 05.09.2016

Amendments Under :

Point No. 1. : For any purchase under Rs. 5000.00 a price survey by telephone of two suppliers (if possible) will be sufficient for determining the supplier.

Amendment : For purchase of goods / hiring of services up to Rs. 10000.00 no price survey is required for selection of supplier but the supplier must be a registered / renowned one, will accept A/c payee check. Quality of goods / services should be ensured.

Point no. 2 : For purchase above Rs. 5000.00 a quotation / Invoice shall be obtained from three local suppliers. A comparative study / analysis will be prepared and presented before the already formed " purchase committee" and purchase committee will take the final decision.

Amendment : For any single purchase / hiring of services for Rs. 10000.00 or more a quotation / Invoice shall be obtained from three local suppliers. A comparative study / analysis will be prepared and presented before the already formed " purchase committee" and purchase committee will take the final decision.

Point No. 6 : For any small purchase or emergency purchaser value not exceeding Rs. 2000.00 no need to follow any of the above mentioned process except already approved requisition.

Amendment : Merged with Point No. 1

Addition : 1. For purchase of items like Dry snacks of which MRP is fixed no need of quotation from three different parties are required. Can be purchased from any one and any where who accept the terms and conditions of the organization.

