



Maitrey Educational Society's

Nagarjuna

Institute of Engineering, Technology & Management

Purchase Policy

Purchase Policy

✦ Guidelines for Budget and Cost Control:

The finance committee is responsible for establishing and monitoring purchase policies and guidelines. Departments are expected to cooperate by providing all information necessary to calculate such accounts accurately.

- ❖ General guidelines: Each academic and administrative departmental head is expected to monitor the department's expenditures by the budget.

Financial planning and control require that the college operate with a balanced budget that is realistic and administered carefully. Budget preparation occurs according to a schedule determined each year. The college's fiscal year begins on April 1 and ends on March 31.

- ❖ Purchase policy and procedure:

Any expenditure of the college must be prudent and directly benefit the college. The college assumes no liability for the payment of purchases that are not made by the approved purchasing procedures.

1. Departmental Programmed: Each departmental Head is authorized to initiate an expenditure of Rs. 5000/- for the departmental purchases and programs.

2. Use of Purchase order:

Purchase of goods and services below the amount of Rs. 3000/ do not require a purchase order in general.

The following items do not require a purchase order. Charges may be paid directly from the invoices received. Typically, the items below are subject to contract or agreement.

Stationary purchase

- ✦ Benefit services (Health insurance etc.)
- ✦ Audit fees, Postage
- ✦ Services under a contract (facility services, food service, consultancy, etc.)
- ✦ Travel expenses (including Rail, Air tickets, lodging, meals) and Utilities (Electric bills, Telephone bills, Cable, cleaning, etc.)
- ✦ Library books and journals

A purchase order if required must be completed before ordering goods or services.

3. General Procedure:

- a. At the beginning of each fiscal year academic and administrative departments are requested to submit the plan and list of items to the Purchase Committee.
- b. In a meeting of the purchase committee, the members justify the demands and prepare a list of items to be purchased in consultation with the Finance committee along with the Principal.
- c. Stationery goods are purchased under the supervision of the Purchase Committee directly from the wholesalers. No purchase order is needed in that case.
- d. Quotations are invited for the required materials or services through the college website / notice board or daily newspapers. Notices inviting quotations may be displayed in local public places.

- e. At least three quotations are collected from the agencies. The purchase committee justifies the feasibility of the quotations to assure quality services and they reserve the right to cancel a quotation if it seems not feasible to the members.
- f. The purchase committee issues the work order to the agency providing the lowest feasible bid.
- g. Bid calls may be asked in some cases so that the college may receive greater discounts and better service through effective competition among the service providers/suppliers.
- h. The suppliers are asked to deliver the materials or to provide the services within the stipulated time.

✚ **Receiving goods:**

- a) Departments will not receive goods unless prior approval from the Purchase department is obtained although services from agencies or individuals are supervised by the departmental heads.
- b) Products are received by the members of the Purchase Committee or any staff authorized by the committee with a clear description of the product.

✚ **Return of goods:** If cancellation, exchange, or return of all or part of a purchase order is required, it is negotiated by the purchase committee.

✚ **Payment procedure:**

- a) Payment requests should be submitted to the accounts section using either a payment requisition or the original invoice from the vendors.
- b) Cash payment is allowed up to Rs.5000/- for the payment of more than Rs. 5000/- the vendors are to collect cheques from the accounts office.
Exception of this policy may be allowed with the approval of the Finance Committee and Principal.
- c) Purchase bills or vendors' invoices without GST are not recommended by the purchase committee.

✚ **Research expenditure:**

- a) The expenditure for research activities (books, equipment, and software) is done by individual researchers following the rules of the granting agency.
- b) Researchers who move to other institutions cannot take or move equipment purchased with grant funds. Those items remain the property of NIETM College.

✚ **Conferences and Workshops:** Approval is required for the refreshments and other expenditures of any conference and workshop organized by IQAC or any Other department. The respective departments are asked to submit the utilization of the grants received from the college or any external agencies.

Maintenance and Repairs:

The College provides a standard level of base services and performs preventive maintenance and repair of all academic and administrative buildings and equipment on campus through the Purchase committee in consultation with the Building committee and other committees.

Almost all the electronic and electrical equipment (computers, solar panels, water purifiers, software) is executed under AMC through some popular agencies.

For the routine works (viz. cleaning, use of green generators) there is no need for recommendation of the Purchase Committee. Services are provided in these cases through some fixed contractors. The Purchase committee provides the following maintenance services according to the demands of different academic and administrative departments through some external agencies: Carpentry services

- Electrician Service
- Plumbing services
- Ground services for landscaping and gardening
- Pest control

In case of an emergency, departments are to report the problem to the Purchase Committee during regular office hours. After office hours the college guard must inform the Principal or Purchase Committee members about the problem to take necessary action or to seek for necessary assistance.