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# **City of Stoke-on-Trent No Purchase Order, No Pay Policy**

**“Delivering value through inclusivity,  
resilience and sustainability”**

# Change Control

## Sign off history

Version	Document Date	Name	Title	Comment	Date of Sign off
V1.0	04/9/24	OBM - Resources		New Version	12/09/24
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# Scope and General Principles

## 1.1 Introduction

The council's Financial procedures require that purchase orders must be generated in the corporate purchasing and finance system in advance of the time a financial commitment is made. Orders should not be raised after goods or services, or the invoice for goods and services, has been received.

**As of April 2024**, the Council introduced a fully enforced "No Purchase, Order No Pay" (No PO, No Pay) policy for all suppliers and contractors providing goods, services and works. The policy applies to all such purchases from suppliers/contractors unless an alternative formal route of engagement has been agreed with the Head of Procurement Services.

## 1.2 Benefits of "No PO No Pay" policy

The benefits of a "No PO, No Pay" policy are that it:

- Ensures that purchases are authorised before goods, services and works are supplied.
- Enables the Council to process invoices efficiently thus ensuring a positive payment profile with suppliers/contractors.
- Allows accurate timely reporting, budgeting and forecasting across the council.
- Removes potential risk to the council by formally agreeing the terms of engagement before the supplier/contractor commits to deliver.

## 1.3 Requesting expenditure

All council employees must:

- only commit council funds by issuing a purchase order unless classified as a policy exception as per 1.4 below.
- use a council approved supplier in compliance with the Procurement Code.
- raise an appropriate purchase order with financial approval and communicate the purchase order number to the supplier/contractor.

In accordance with the Council's "No PO No Pay" policy, any invoices received from a supplier/contractor which does not clearly state a valid Purchase Order provided by the council will be rejected and returned to the supplier/contractor. The only exceptions are those detailed as a policy exception as per 1.4 below.

## 1.4 Policy Exceptions

The following expenditure/circumstances do not require purchase orders.

- Postal services
- Rates (Council and Water)

- Payments to or on behalf of Public or Government Bodies – non-procurement related payments only. A purchase order should be raised in respect of any procurement related spend.
- Payments to individuals (scholarships, bursaries, salaries, travel expenses, prizes, awards and refunds)
- Child care vouchers
- Purchasing and Credit card payments
- Library books
- School catering supplies

This list is under constant review and any further changes will be communicated to our suppliers by email where appropriate.

## **1.5 Invoice Processing**

Invoices received without a current valid purchase order number (or an incorrect purchase order reference) will be returned unpaid to the supplier/contractor.

The supplier/contractor will be instructed to contact the council's employee who requested the goods, services or works to obtain the necessary purchase order information. Please ensure that any purchase order numbers quoted are current and valid. If a value 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.

Invoices may be disputed for a variety of valid reasons that may include, but not limited to:

- PO number quoted on invoice is closed or complete
- PO number quoted does not match the issued purchase order
- Invoice quantities, description, dates or pricing do not match those on the quoted purchased order

## **1.6 Invoices**

All invoices must be addressed to Stoke-on-Trent City Council at the address below and sent as a PDF to [invoices@stoke.gov.uk](mailto:invoices@stoke.gov.uk)

Where a supplier is unable to comply with the technical requirements for invoices, advice should be obtained from Accounts Payable or Procurement & Commercial Services.

# Appendices

## **Appendix A: Frequently Asked Questions (for staff)**

### **Q1: What is No Purchase Order No Pay?**

No PO No Pay is one of City Councils key financial control measures to ensure that payments are made only to suppliers and contractors where the supplied invoice contains a valid official purchase order (PO) number (unless a pre-agreed exception applies – see Q6 below for full list)

### **Q2: Why a No PO No Pay financial control measure?**

No PO No Pay ensures that the Council only pays for goods, services and works which have been properly ordered and authorised. It also ensures invoices received by Accounts Payable can be processed efficiently to minimise delay to suppliers and contractors. Invoices received by the Accounts Payable team without a valid PO number **will not be paid** and may be returned to the supplier.

### **Q3: When does No PO No Pay come into effect?**

No PO No Pay will apply to all orders of goods, services and works placed from 12th April 2024.

### **Q4: From when should I ensure that I have a valid Purchase Order Number?**

The Council has operated a Purchase Order policy for several years although in the past invoices without a PO number have been paid. As a result of full enforcement all commitments for goods, services and work must be made using a purchase order.

From April 2024 suppliers must not, under any circumstance, accept any verbal or written order from a Council's officers unless a valid PO number is given or an exception as set out in Q6 applies or it is an emergency order as per Q5 below.

### **Q5: How does No PO No Pay work?**

No PO No Pay requires all invoices submitted by suppliers and contractors to contain an official PO number. In all, but exceptional circumstances, the PO number:

- will be generated from the council's corporate purchasing/finance system, and
- given to the supplier or contractor before making any commitment to spend council monies.

In exceptional circumstances an Emergency PO reference will be supplied followed by an official PO number generated from our corporate purchasing/finance system within 3 (three) working days. There are exceptions to No PO No Pay – these are listed in Q6 below.

### **Q6: What exceptions apply to the No PO No Pay financial control measure?**

The following expenditure/circumstances do not require a purchase order. This list is under constant review and any further changes will be communicated to our suppliers by email. The Exceptions List currently covers:

- Postal services
- Rates (Council and Water)

- Payments to or on behalf of Public or Government Bodies – non-procurement related payments only. A PO should be raised in respect of any procurement related spend.
- Payments to individuals (scholarships, bursaries, salaries, travel expenses, prizes, awards and refunds)
- Child care vouchers
- Purchasing and Credit card payments
- Library books
- School catering supplies

**Q7: What is the valid PO number sequence/format for the Council?**

All valid PO numbers, in pdf/paper form, with the exceptions of those mentioned below, are issued in a numerical format currently starting SOT.

Purchase orders placed directly by the Council's Library Services from their own stock ordering systems will remain valid.

**Q8: Will I only receive POs through the post?**

No, POs will usually be emailed to the email address provided in your supplier details, however, they can be mailed if necessary. PO numbers can also be confirmed over the telephone, but for your own records you should ask for the copy.

**Q9: What happens if I receive a PO and it does not seem to be correct or I don't understand the details?**

Contact the person who placed the PO initially (details will be quoted on the order) and ask for clarification. If necessary, the original PO can be cancelled and a replacement issued.

**Q10: What should I do if I don't receive a PO?**

Contact the person who placed the verbal or email order and ask for a formal PO, or as a minimum, a PO number.

**Q11: How do I know that the PO has been approved at the correct level of authority?**

POs will only be produced by our corporate purchasing/finance system once authorised by the appropriate person.

**Q12: Will I be paid quicker if I quote a PO number?**

The Council's standard payment terms for invoices submitted against a PO are 30 days from date of invoice.

Invoices may be delayed for payment if conditions exist that lead to the invoice being disputed. (See Q14)

However, invoices received without a valid PO number quoted will not be paid and may be returned. This may lead to a delay in the payment process.

**Q13: An invoice has been returned requesting a valid PO number must be quoted. How can this be obtained?**

You should contact the person who placed the original order instruction and ask them to provide a valid PO number. When obtained you should send a replacement invoice quoting the valid PO number to [invoices@stoke.gov.uk](mailto:invoices@stoke.gov.uk) as a PDF or mail the invoice to the address provided.

Note, you should cancel the original submitted invoice in your system as the Council will have not recorded this in your supplier account in Creditors.

**Q14: What should I do if I have sent an invoice quoting a valid PO number and my payment appears to be delayed?**

Contact the Accounts Payable, Procurement & Commercial Service at [Accounts.Payable@stoke.gov.uk](mailto:Accounts.Payable@stoke.gov.uk)