

# Purchasing and Sensitive Expenditure Policy



**Responsibility for policy:** Chief Operating Officer

**Approving authority:** Vice-Chancellor

**Last reviewed:** December 2024

**Next review:** December 2029

## Application

1. This policy applies to all staff of the University of Waikato.

## Scope

2. This policy applies to all transactional purchasing activities using funds held or managed by the University of Waikato, regardless of their source, and including Research Trust funds.

## Purpose

3. The purpose of this policy is to set out the principles and processes that apply with respect to purchasing and expenditure, including sensitive expenditure, undertaken by staff on behalf of the University.

## Related documents

4. The following documents set out further information relevant to this policy:

- [Alcohol on University Premises Policy](#)
- [Art Collection Policy](#)
- [Branded Merchandise Policy](#)
- [Capital Asset Policy](#)
- [Desktop Computer Standards](#)
- [Financial Authority Policy](#)
- [Financial Ethics Policy](#)
- [Fundraising and Philanthropy Acceptance Policy](#)
- [Gift Acceptance Policy](#)
- [Interests \(Conflicts of Interest\) Policy](#)
- [Koha and Donations Policy](#)
- [Mobile Device Policy](#)
- [PCard Policy](#)
- [Procurement Policy](#)
- [Safety and Wellness Policy](#)
- [Staff Code of Conduct](#)
- [Supplier Code of Conduct](#)
- [Sustainability Plan](#)
- [Travel Policy](#)
- [University of Waikato Fringe Benefit Tax Guide](#)
- [Vehicle Use Policy](#)
- [Voucher Guidelines](#)

## Definitions

5. In this policy:

**hospitality** means the provision of food and drink to cater for the wellbeing of students, visitors to the University or external stakeholders

**hospitality partner** means the University's catering company which has been awarded the status of preferred supplier for catering services following a competitive tender process

**ICT equipment** means computers, laptops, servers, printers, peripheral hardware, audio-visual (AV) equipment and network equipment, but excludes mobile devices such as mobile phones, smart phones (internet capable mobile phones), tablets (e.g. iPads), data cards and/or mobile broadband devices and IT consumables such as printer cartridges, whether capitalised or not

**impartiality** means based on objective criteria rather than due to any sort of bias, personal preference, coercion or other improper influence or reasoning

**integrity** means exercising power in a way that is true to the values, purposes and duties for which that power has been entrusted and in keeping with agreed or accepted moral and ethical principles

**justifiable business purpose** means a purpose that is consistent with the University's objectives and is supported by evidence of both the need for the spending and of a range of options considered

**mobile device** means a mobile phone, smart phone (internet capable mobile phone), tablet (e.g. iPad), data card and/or mobile broadband device purchased partly or fully with University funds

**moderate and conservative** means reasonable as viewed from a public standpoint given the relevant justifiable business purpose; it includes consideration of whether the purpose could reasonably be achieved at a lower cost

**preferred supplier** means a supplier that has been awarded 'preferred supplier' status for the supply of specified goods, services and/or works following a competitive tender process which has resulted in a procurement contract; unless in an emergency situation or where an exemption has been approved, where preferred suppliers for the provision of specific goods, services and/or works have been determined those suppliers must be used to purchase those goods, services and/or works

**procurement** means the identification of potential suppliers, the tender process, the selection of a preferred supplier, the contract negotiation, the management of the contract and the establishment of the subsequent purchasing process

**purchase** means the transactional process used to enable the buying and selling of goods, services and/or works following a procurement process

**purchase order** means the approved University process undertaken through [Unimarket](#) by which goods, services and/or works are purchased and supplied

**recognised University purchasing system** means any official purchasing or procurement system that the University uses, including but not limited to:

- Unimarket – for most purchases
- Maximo – to initiate work orders that are followed up with a Unimarket purchase order
- Alma – for Library-related purchases

**self-catered** means catered by means other than through the University's hospitality partner, e.g. food and beverages purchased from supermarkets

**sensitive expenditure** means spending by the University that could be seen to be giving private benefit to a staff member, their family, friends or other third party that may involve:

- the use of PCards
- the use of University assets
- the use of University procurement arrangements
- spending while travelling
- spending on entertainment and hospitality
- spending on goods, services and/or works
- donations, koha and gifts

**staff** means any person with an employment agreement with the University, including an independent contractor (being a person with a contract for services with the University); or an employee of a separate organisation that is contracted by the

University to undertake University business; or any person otherwise given authority to make purchases or claim expenditure on behalf of the University

**transparency** means being open and honest about spending decisions and willing to discuss the rationale for spending decisions and to have them reviewed or audited

**voucher** means a document or card that is exchangeable for goods, services and/or works to a specified value

**whole-of-life cost** means the total cost, including purchase cost, operating cost, maintenance cost and residual value (where applicable) for the life of a contractual term.

## Principles

6. The expenditure of University funds must:
  - a. have a justifiable business purpose that is consistent with the University's objectives
  - b. be made with impartiality
  - c. be made with integrity
  - d. be moderate and conservative, having regard to the circumstances
  - e. be made transparently, and
  - f. be made with proper financial authority.
7. Where preferred suppliers for the provision of specific goods, services and/or works have been determined in accordance with the [Procurement Policy](#), those suppliers should be used to purchase those goods, services and/or works.
8. Where there is choice of preferred suppliers for particular goods, services and/or works staff may choose which one to use, following the Procurement Principles set out in Appendix 2 of the [Procurement Policy](#).
9. When purchasing items for which a preferred supplier contract is not in place, staff must satisfy themselves that the purchase offers the most cost-effective 'whole-of-life cost' for the University; in the event that the purchase may be continual or of high value the [Procurement Policy](#) should be followed.
10. When purchasing items for which a preferred supplier contract is not in place, staff must satisfy themselves that the purchase will ensure compliance with the [Supplier Code of Conduct](#) and the [Safety and Wellness Policy](#).
11. Where purchase orders are used to make purchases:
  - a. Staff must raise purchase orders before goods or services are supplied.
  - b. Staff must not approve purchase orders that they themselves have raised.
  - c. Staff must not approve full payment prior to the completion of the services or works or delivery of the goods unless approved in advance by the relevant Business Owner.
12. Unless negotiated otherwise and approved by the Procurement Manager, all purchasing agreements must include a reference to, and comply with, the University's [Standard Terms and Conditions of Purchase](#).
13. The Chief Operating Officer, the Vice-Chancellor and the relevant approving authority (as set out in the [Financial Authority Policy](#)) have the authority to disallow any expenditure that they consider, at their discretion, to be unreasonable.

## Authorised purchasing systems

14. Staff who wish to purchase goods, services and/or works must do so through one of the following authorised purchasing systems, and in the following order of preference:
  - a. a purchase order generated through a recognised University purchasing system
  - b. a University PCard in accordance with the [PCard Policy](#), or
  - c. an online staff claim.
15. Staff must not use PCards or online staff claims to circumvent the use of preferred suppliers.

### **Approval of expenditure**

16. Purchase orders, PCard purchases and online staff claims are subject to approval by the staff member's line manager or delegated authority who, before approving such requests, must:
  - a. ensure that they are satisfied that they are for a justifiable business purpose that is consistent with the University's objectives and that all of the principles set out under clauses 6 to 13 of this policy have been met
  - b. be satisfied that the request is appropriate and does not circumvent use of the University's preferred supplier arrangements
  - c. ensure that approval is determined before any expenditure is incurred
  - d. ensure that the expenditure is within budget and in accordance with the appropriate delegated financial authority, and
  - e. ensure that approval is determined by an authority who is senior to any person involved in the purchase who will, or may be perceived to, benefit from the expenditure.

### **Preferred suppliers**

17. Where preferred suppliers for the provision of specific goods, services and/or works have been determined under the [Procurement Policy](#), those suppliers must be used to purchase those goods, services and/or works.

### **Conflicts of interest**

18. Staff who have a conflict of interest, actual or perceived, that may affect their impartiality when conducting purchasing on behalf of the University must ensure that it is recorded in the University's Interest Register through [Kuhukuhu](#) (Financial Services: Interest Declaration).
19. Responsibility for determining how to address a conflict of interest identified under clause 18 of this policy rests with the Chief Operating Officer or delegated authority.

### **ICT equipment, software and services**

20. Preferred supplier arrangements are in place for the purchase of ICT equipment, software and services.
21. Staff who wish to purchase ICT equipment must do so in accordance with the [Desktop Computer Standards](#).
22. Staff who wish to purchase software must do so through [Kuhukuhu](#) (ICT Services: Hardware and Software Purchasing).
23. ICT equipment and software must be purchased and recorded in accordance with the [Capital Asset Policy](#).
24. Any ICT purchases or replacements either within the ICT expenditure budget or outside of the budget should be in line with the [Desktop Computer Standards](#).
25. The purchase of ICT services (e.g. cloud services, online applications, resources with remote systems access) requires a detailed risk assessment of information security.

### **Fleet vehicles**

26. The purchase and disposal of vehicles for the University fleet whether owned or leased by the University of Waikato may only be initiated by the Chief Operating Officer.

### **Travel and accommodation**

27. A preferred supplier agreement is in place for all travel undertaken for and on behalf of the University.
28. Travel and accommodation expenditure must be economical and efficient, having regard to purpose, distance, time, urgency, personal health, security and safety considerations.

29. The purchasing requirements and process associated with travel are set out in the [Travel Policy](#).

#### **Staff gifts, benefits, functions and meetings**

30. Under no circumstances may a staff member obtain cash from University funds unless it is an approved per diem payment under the provisions of the [Travel Policy](#), an approved cash advance for travel in accordance with the [PCard Policy](#), or drawn via PCard by the Deputy Vice-Chancellor Māori or delegated authority for the purpose of koha in accordance with the [Koha and Donations Policy](#).
31. Expenditure on gifts or other benefits which are not legitimately associated with a staff member's employment may be subject to [Fringe Benefit Tax](#), the additional costs of which will be borne by the relevant cost centre; advice about [Fringe Benefit Tax](#) can be obtained from the relevant Finance Business Partner.
32. Expenditure associated with special staff functions (e.g. pōwhiri, staff departures, end-of-year lunches) and professional development is permissible provided that such functions are directly related to the business activities of the organisational area concerned and have been approved in advance by the relevant Business Owner.
33. The reasonable cost of providing gifts to staff in circumstances involving hospitalisation or bereavement is permissible provided it is approved in advance by the relevant Business Owner.
34. Subject to the prior approval of the relevant Business Owner, the University will meet the cost of gifts to staff upon retirement after ten years' service, up to a maximum value of \$200.
35. Expenditure on food and drink for staff meetings is not permissible unless the meeting is required to be held at a time of the day outside normal working hours and the expenditure has been authorised in advance by the relevant Head of School, Director or equivalent.

#### **Gifts, koha and donations**

36. Gifts offered by the University usually take the form of a tangible object but might also be in the form of access to facilities or services.
37. Gifts offered by the University must be for a justifiable business purpose that is consistent with the University's objectives and the principles set out in clause 6 of this policy.
38. Gifts must not be provided in substitution for legitimate payment or remuneration for goods, services and/or works.
39. The requirements and processes associated with gift acceptance are set out in the [Gift Acceptance Policy](#).
40. The requirements and processes associated with koha and donations are set out in the [Koha and Donations Policy](#).

#### **Vouchers**

41. Staff who wish to purchase vouchers must seek prior approval to do so through [Kuhukuhu](#) (Financial Services: Voucher Purchase Request) in accordance with the [Voucher Guidelines](#).
42. Vouchers must not be provided in substitution for legitimate payment or remuneration for goods, services and/or works.

#### **Hospitality and catering**

43. The primary intention of providing hospitality is to cater for the wellbeing of students, visitors to the University or external stakeholders to a level that satisfies the business objectives inherent in the situation concerned.

44. Hospitality offered by the University must be for a justifiable business purpose, cost effective and consistent with both the University's objectives and the principles set out in clause 6 of this policy.
45. Catering services for events held at Te Ao Hurihuri (Gate 4) and The Pā may be provided by either the University's preferred supplier or staff in the office of the Deputy Vice-Chancellor Māori.
46. In all other cases the University's preferred supplier of catering services must be approached in the first instance to provide all food and beverages (including alcohol) for events, functions and conferences held on the Hamilton campus and official University events held off campus but within the Waikato region, except for events involving 15 or fewer people which may be self-catered.
47. Where the University's preferred supplier declines to provide catering services for a particular event, the University may engage with another catering supplier at its discretion for that event.
48. Line managers are responsible for ensuring that staff attendance at events involving hospitality and/or entertainment is limited to those staff essential to the business concerned.
49. While it is recognised that hospitality can be a matter of cultural significance, expenditure must be balanced with the University's accountabilities associated with the use of public monies.

#### **Responsibility for monitoring compliance**

50. The Chief Operating Officer is responsible for monitoring compliance with this policy and reporting any breaches to the Vice-Chancellor.
51. Breaches of this policy may result in disciplinary action under the [Staff Code of Conduct](#).

#### **Note**

The term 'School' in this policy includes Faculties and the term 'Head of School' includes Deans.