***[HOSPITAL NAME]***

**ADMINISTRATIVE POLICY**

CATEGORY: Finance **CODE: B-11**

SUBJECT: Purchasing Process Policy **EFFECTIVE:**

**COORDINATOR: Business Manager & Procurement Committee**

The purchasing process should follow a step-by-step process in accordance with the Expenditure of Funds Policy (B-3). If there are exceptions to be made they are only in special circumstances and approved by the CEO and Business Manager. No officer in the Business Office shall on his/her own without the consent of the Head of Department, Medical Officer cancel, add items or reduce the quantity of items ordered on the requisition. All cancellations, alterations or prioritizations or requisitioned items shall be made by the originating department Head in consultation with the Chief of Medical Staff.

Inventory is maintained in the Hospital for regularly used pharmaceuticals, supplies, and non-medical supplies. The Purchasing Officer is responsible for maintaining the stock at par levels based on the usage of the hospital. For routine purchases of stocked medicine and supplies the Purchasing Officer will follow the steps in the Purchasing Process Procedure (B-11.1).

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***[HOSPITAL NAME]***

**ADMINISTRATIVE PROCEDURE**

CATEGORY: Finance **CODE: B-11.1**

SUBJECT: Purchasing Process Procedure **EFFECTIVE:**

**COORDINATOR: Business Manager & Procurement Committee**

|  |  |
| --- | --- |
| **Initiator of Action** | **Action** |
| Heads of Department, Stores Manager, or Pharmacist | The appropriate requisition forms should be completed and approved by the responsible Medical Officer/Matron or the Chief of Medical Staff. Requisitions from non-medical departments will use the same order forms and be approved by the Business Manager or CEO. |
| Internal Procurement Committee | **FIXED ASSETS:** If the items are Fixed Assets the requisition will be reviewed by the Internal Procurement Committee (Policy B-12) and the process should follow the Fixed Asset Policy (Policy B-6). |
| Purchasing Officer | **NOT FIXED ASSETS:** the Purchasing Officer will locate at least three quotations for the item. Quotations can be acquired by phone, fax, or email. In the cases where three quotes are not available an explanation should be given. In the cases where contracts are in place for services or supplies then three quotations are not required as directed in Policy B-6 Item 4(b). |
| Business Manager | Requisitions will be approved based on the budget and availability of funds. |
| Accountant | Once the requisition has been approved (and provided the funds are available), the Accountant shall implement the purchase if on cash basis following Policy B-3. If the purchase is on credit the Accountant should use a Local Purchasing Order (LPO). |

If the item is a fixed asset Policy B-6 should be followed related to identifying and recording it. If the items are expensed they should be recorded in the inventory account appropriately according to Policy B-13.