

Policy Name:	Purchasing Authorisation Policy		
Policy Number:	6.02	Date:	September 2022

POLICY STATEMENT:

JC Steele requires the purchase of goods and services in order to produce, package and send our parts and equipment to our customers.

Employees in various roles in JC Steele have accountability for the order, delivery, recording and monitoring of stock, consumables and the receipt of services. Authorisation limits have been established to ensure that staff understand the extent to which they are authorised to commit to purchasing these goods and services and authorising other business expenses on behalf of JC Steele. All employees are to ensure they adhere to these limits.

PROCEDURES:

1. Authorisation Limits

- a) Authorisation limits are split into three categories:
 - **Consumables and Budgeted Items (includes Travel)**
Regular items of stock used to produce, package and send parts and equipment to our customers (ie. EDM wire, grinding discs, drill bits, etc.) or other budgeted items for admin or workshop, or travel required for plant visits, penetrometer, planned service calls.
 - **Assets/Non-Budgeted Items**
Items that contribute to the production of JC Steele works on a long term basis. Examples include: laptop computers and other office equipment, power tools, electrical or plumbing works, etc.
 - **Repairs and Maintenance**
Repairs and maintenance of business equipment, eg. computers, photocopiers, telephones, forklift, tools, crane etc.
- b) JC Steele authorisation limits are documented in the table at the end of this policy document.
- c) Authorisation limits for consumables refer to consumables used regularly by JC Steele as previously approved by the Managing Director. Items that are new or different in nature to those purchased previously require the authorisation of the Managing Director.
- d) Any increase in the price of a consumable product of 10% or greater must be referred to your manager for approval, prior to ordering.

- e) JC Steele only deals with reputable suppliers of goods and services. JC Steele employees are only authorised to purchase from existing suppliers. New suppliers must be approved in advance by your manager or the Managing Director.

2. Purchase Process

- a) All purchase orders are raised in Cin7 and emailed directly to suppliers.
- b) All purchase orders must be within authorisation limits, unless such orders form part of the regular and ongoing responsibility of the role of the employee placing the order. If total purchase price exceeds your authorisation limit you must have the purchase order signed by your manager or the Managing Director.
- c) All authorisations must be recorded in the notes section in Cin7, including the name of the person authorising the purchase and the reason for the purchase/authorisation.
- d) Upon receipt of goods, the Storeperson will check goods against delivery docket and, once completed, provide receipt documents to the Administration Assistant.
- e) The Administration Assistant will receipt the goods into Cin7. Any discrepancies with regard to quantities delivered will be followed up by the Administration Assistant.
- f) Invoices will only be processed for payment, where goods or services have been accepted as delivered and receipted in Cin7. The Administration Manager may request confirmation that services have been completed before processing payment of invoices.
- g) Employees not authorised to raise purchase orders must request purchases through their manager or the Administration Manager.

3. Authorisation Limits Table

- a) The Authorisation Limits Table documents the authorisation limits for each role. The limit stated refers to each individual order placed or repair/maintenance authorised. Monthly limits may also apply.
- b) All purchase orders for consumables must be for approved items (refer section 1). Stockpiling of consumables (eg. to take advantage of volume discounts) can only be approved by the Managing Director.
- c) Employees who undertake roles that have not been expressly allocated authorisation limits in the table below must refer all requests to their manager or the Managing Director.

4. Project works

- a) Projects work that have received approval to proceed include deemed approval for the purchases required to undertake the works and listed in the scope of works. All purchases outside of the scope of works, or the approved value of the works, will require authorisation in accordance with this policy.

Role	Consumables, Inventory and Budgeted Items (includes Travel) (ex GST)	Assets and Non-Budgeted Items (ex GST)	Repairs & Maintenance (ex GST)
Managing Director	Unlimited	Unlimited	Unlimited
Manufacturing Manager	\$5,000	\$1,000	\$1,000
	\$12,000 (monthly)	\$2,000 (monthly)	N/A
Administration Manager	\$30,000	1,500	N/A
Administration Assistant	\$2,500	\$500	N/A
Warehouse	\$500	N/A	N/A
Customer Support Manager	\$3,000	N/A	N/A
Customer Support Engineer	\$1,000	N/A	N/A