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# HAI PROCUREMENT POLICY

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Humanitarian Aid International (HAI) is a not for profit organization under the Indian Trusts Act, founded by a team of humanitarian and development professionals with a collective global experience of over 300 years. The organizational purpose is to establish a global aid institution founded and headquartered in India to extend effective and efficient humanitarian assistance and invest in sustainable and resilient development to eradicate poverty and hunger.

The following procedures are adopted in HAI for all purchases:

## **Approval**

Approval authority for all purchases will be as per the HAI's delegation authority.

**Purchase Approval Form:** A Purchase approval form to be filled in by the concerned staff/department with the details of the items, quantity, specifications, budget provision etc and get it approved from the concerned approving authority.

## **Quotations, CST and Purchase Order:**

It is encouraged to conduct market survey and get quotation for price comparison for all purchases. Three quotations must be obtained for purchases worth more than Rs. 50,000/- (Rupees Fifty Thousand Only)

Based on the quotations, a comparative statement will be prepared by the finance team of HAI.

Collecting three competitive quotations may be waived off with the approval of Purchase Committee in the following situations:

- there is only one supplier for a specific item.
- the Organization has decided as a policy to buy specific items from specified dealers
- the item is very urgently needed and collecting quotations will delay the purchase
- in special circumstances, the management committee will have the overriding authority to approve the purchase from a supplier other than the quotation

While deciding the brand of the item to be purchased, the life cycle cost of the item also to be considered:

After approval of the purchase Committee, a purchase order should be issued to the supplier for purchase of more than Rs. 50,000/-

Purchase order cannot be split to circumvent the above provisions.

Vendor selection for purchase of items like stationery, vehicle hiring, housekeeping items and such other items to be documented at least once in a year.

**Purchase Committee:** All purchases of more than Rs. 50,000/- will be routed through the purchase committee. There will be a purchase committee at Head Office and at all project offices

1. **Head Office Purchase Committee:** Head Office Purchase Committee will consist of Chief Executive Officer (CEO), Chief Finance Officer (CFO) and head of the project initiating the purchase
2. **Project Purchase Committee:** A committee of three employees shall for the purchase committee at project offices. The purchase committee will generally consist of the project in charge, admin - in-charge and finance - in charge. Where there is no admin or finance person available, other project staff will form the committee in addition to the project in-charge.

Where there are less than three employees, the available members of the project team will form the purchase committee. In such cases, the project purchase committee will follow all the requisite purchase procedures. They will forward all the purchase documents such as purchase approval forms, quotations, comparative statement duly recommended by them to the Head Office for the approval of the Head Office Purchase Committee.

The project purchase committee will be formed at the beginning of the project and the composition of the purchase committee will be determined by the CEO.

### **Recording of Purchases and Issues:**

**Stock Register:** will be maintained for all items other than fixed assets purchased at project offices and head office. Entry should be made in this register at the time of receipt of goods mentioning challan /the bill number and date of purchase. The register will also record all support received in- kind.

**Fixed Asset Register:** will be maintained in the Head Office for all purchases made both at projects and head office along with the supporting bills.

**Requisition Slip:** Employee must fill and give a requisition slip for the items to be procured. When the item is issued, an entry is made in the stock register. This is to be followed in project offices. In case of Head office issue will be recorded in the stock register.

**Inventory Control & Verification:** Inventory should be taken and valued at regular intervals. Shortfall, if any, should be promptly reported to management, along with the reason for the shortfall, and the person responsible. Annual asset verification should be done as on 31st March and to be reconciled with books of accounts.

**Policy Approved on:**

**Approved by:**