

# VOLUNTARY HEALTH ASSOCIATION OF TRIPURA(VHAT)

## VHAT- PURCHASE POLICY

**Preface :** VHAT developed and got approved its Purchase Policy on 15th August, 2006, which was followed by the organization. But with the necessity of changing norms in accounting process and improvement of the organizational procedures, it was felt that there should revision of the Purchase Policy.

With this background, the revised VHAT-PURCHASE POLICY was developed and placed in the Executive Committee on 12<sup>th</sup> March, 2017. After detailed discussion the Executive Committee of VHAT approved the revised VHAT -PURCHASE POLICY on 12<sup>th</sup> March, 2017.

This policy would be effective from 1<sup>st</sup> April, 2017.

### VHAT- PURCHASE POLICY

#### 1. Principle

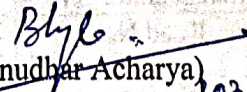
To make sure that all purchases in Voluntary Health Association of Tripura are done ensuring value-for-money and cost effectiveness.

#### 2. Purpose of Purchase Procedures

- ❖ To make sure that Goods and services are procured in a consistent and transparent manner in VHAT.
- ❖ To make sure that Suppliers who offer the best value for money for procuring goods and services, are chosen.

#### 3. Broad Purchase Guidelines

- a. A purchase committee of three persons may be put in place at the beginning of every financial year. The same committee is responsible for market survey and getting quotations.
- b. To the extent possible, purchases shall be planned on annual basis.
- c. Requisition for purchase is to be submitted by Project Heads(Producer of Indent) in case of corresponding projects (refer format provided below).
- d. In case of capital expenditure for the organization(VHAT) requisition is to be submitted by Chief Functionary /Executive Director and to be approved by the Executive Committee.
- e. Plan shall be made to make bulk purchases attracting heavy discounts
- f. Market survey shall be done and approved by the concerned authority before finalizing the supplier for any good or service.
- g. Wholesale Suppliers shall be contacted for bulk purchase for getting most competitive rates.
- h. A panel of suppliers shall be created and documented for purchase of various regular supplies on annual basis.
- i. No payments shall be made in cash beyond Rs. 5000/-

  
(Shri Benudhar Acharya)  
President

12/03/17

Voluntary Health Association of Tripura

President,  
Voluntary Health Association of Tripura  
Circuit House Area, PO : Kunjaban,  
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- j. For purchase above Rs. 5000/- , for both recurring and non-recurring items, at least three quotations shall be obtained.
- k. Comparative statement (refer format provided below) shall be prepared and supplier providing best value for money shall be selected.
- l. The Comparative Statement is required to be approved by Chief Functionary (Executive Director) in writing before purchasing the item.
- m. In case where it is not possible to collect three quotations due to non-availability of suppliers or any other reason, a JUSTIFICATION NOTE (refer format provided below) shall be prepared where details like names of vendors visited, verbal quotes provided by them, reason for selecting the particular supplier, etc. shall be mentioned. Such justification note shall be signed by the recommending and approving authority. Documentation of all procedures (how the purchase is done) is necessary.
- n. Justification note shall be attached in cases where payment equal to or above Rs. 5000/- is made in cash. Such payment shall be treated as exceptional and shall not be made a practice.
- o. All supporting documents with Invoices, comparative statements, purchase order in case any & justification note and signature of recipient of payment must be attached with the voucher for all purchases.
- p. Project Accountants are advised to undertake sample verification of the items purchased to ascertain its quality and quantity.
- q. All purchases must be entered in Fixed Asset/Stock register on daily/immediate basis.

#### 4. Purchase Procedure

- Purchase committee- a Purchase Committee of three persons including Treasurer/ Secretary, Executive Director and Finance Officer will be put in place at the beginning of every financial year. Respective Project In Charge / Producer of Indent will be automatically part of the committee.

- Revenue purchase – to be purchased as per budgeted heads

- Capital purchase –

a. Consent will be taken from purchase committee

b. For purchase of capital nature up to the limit of Rupees Twenty Five Thousand only the Executive Director and the Finance Officer are authorized for bank transaction

c. For purchase of capital nature above the limit of Rupees Twenty Five Thousand approval from the Executive Committee is necessary.

d. The Accounts Department must scrutinize the supporting documents to ensure its completeness and correctness before releasing the payment.

#### 5. Control functions (Thumb rules)

- ❖ All purchases are duly authorized and approved before the goods and services are ordered.
- ❖ All goods received or services rendered are according to specification and in quantities requested for.

(Shri Benudhar Acharya)

President

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- ❖ Liability for all purchases is accurately reflected in the books of account and that suppliers are paid only in accordance with the agreed terms.
- ❖ Goods ordered are actually received into stores as may be appropriate and relevant Accounting records updated accordingly.

**6. Accounting and Record Keeping of Fixed Assets purchased by the organisation**

- ❖ Items which have useful life of more than one year and a minimum value of Rs. One thousand, should be treated as Fixed Assets and should be capitalised in the Books of Accounts.
- ❖ Such items shall be recorded in the Fixed Assets register

**Voluntary Health Association of Tripura  
COMPARATIVE STATEMENT**

| Sl. No. | Description of Items | Quantity | Vendor Name & Address (1) | Vendor Name & Address (2) | Vendor Name & Address (3) | Lowest Quote |
|---------|----------------------|----------|---------------------------|---------------------------|---------------------------|--------------|
|         | Item name            |          |                           |                           |                           |              |
|         | Value of the item    |          |                           |                           |                           |              |
|         |                      |          |                           |                           |                           |              |

**Recommendation:**

**Prepared by:**

**Date:**

**Approved by:**

**Date:**

*Bhyle*  
(Shri Bernudhar Acharya)  
President

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**Sample Justification Note**  
**(To be prepared in absence of written quotations)**

**Date:**

We (name of staff members) did market survey today for purchase of items (item name to be mentioned) and have contacted following suppliers:

1. Supplier A
2. Supplies B
3. Supplier C

The rates quoted by each of them are following:

1. Supplier A
2. Supplier B
3. Supplier C

However, written quotations were not provided by the supplier due to following reasons (reasons cited by supplier for refusing written quotations shall be mentioned here).

The team recommends that material/items shall be purchase from Supplier Number..... because of following reasons:

- 1.
- 2.
- 3.

Prepared by:  
Date:

Approved By:  
Date:

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**Voluntary Health Association of Tripura**  
**REQUISITION FORM FOR PURCHASE OF MATERIALS**

Name of Project:

Date:

| SLNo. | Name of the Articles | Quantity required | Purpose of purchase |
|-------|----------------------|-------------------|---------------------|
|       |                      |                   |                     |

Signature of Receiver of Indent

Signature of Project –In charge/ Producer of Indent

*Rdyk*  
(Shri Benudhar Acharya)  
President *12/02/17*

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