

# FINANCES OF THE ASSOCIATION

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- Regulations for the purchase of goods and services

REGULATIONS FOR THE PURCHASE OF GOODS AND SERVICES

1. Scope of these Regulations

The scope of these regulations is to define a purchasing framework to serve as a basis for the establishment of uniform and controlled purchasing practices of goods and services by the Malta Football Association, hereinafter referred to as "the MFA" or "the Association", in order that a high level of transparency and accountability in the financial affairs of the Association is maintained.

2. Purchasing of Goods and Services

- (i) (a) The purchasing of any product or service the cost of which does not exceed one thousand euro (€1000), other than through the Petty Cash Account or credit card, must be carried out by means of Purchase Order Form (copy attached to these regulations), to be raised and signed by the appropriate Manager or Head of Department concerned. Approval of the proposed purchase of such product or service must be obtained either from the President or the Treasurer.
- (b) In the case that the purchase of a product or service does not fall under the responsibility of any Manager or Head of a Department, the Purchase Order Form shall be raised by the Treasurer and the approval of the President must be obtained.
- (ii) (a) In the case of the purchase of any product or service the price of which exceeds the amount of one thousand euro (€1000) but does not exceed the amount of two thousand and five hundred euro (€2500), the Manager or Head of Department concerned, prior to raising the relative Purchase Order Form, must whenever possible, obtain at least three (3) written quotations. This shall not apply to the purchase of air tickets and/or related services or hotel accommodation and/or related services.
- (b) In the case that the purchase of ~~such~~ a product or service does not fall under the responsibility of any Manager or Head of a Department, the procedure mentioned in clause (ii) (a) above shall be executed either by the President or the Treasurer.
- (c) In the case that less than three (3) quotations had been obtained, the reason for the lack of written quotations must be stated either on the Purchase Order Form or in a memorandum attached to the Purchase Order Form presented for approval.
- (d) The written quotations obtained must be attached to the Purchase Order Form presented for approval.
- (e) The choice of the supplier and approval of the proposed purchase will be made by the Administration Board (Bureau). However, in the case of purchases to the account of the MFA Sports Facilities, the approval for the proposed purchase may be authorised by the Sports Facilities Board in lieu of the Bureau.
- (f) When deciding upon proposed purchase, in the case that a potential supplier is a member of the Bureau or the Sports Facilities Board, such member shall abstain from that part of the meeting during which such a purchase is discussed and until a decision is taken.
- (g) The Bureau or the Sports Facilities Board, as the case may be, may refuse to accept any proposal and may decide to make a public call for tenders on those conditions which may be deemed fit.
- (h) If the proposed purchase is considered both by the Bureau and by the Sports Facilities Board and a conflict of opinion arises between the Bureau and the Sports Facilities Board as to whether a public call for tenders should be made, the latter opinion shall prevail.
- (iii) (a) In the case of the purchase of any product or service that exceeds two thousand and five hundred euro (€2500), the Manager or Head of Department concerned, prior to raising the Purchase Order Form, must whenever possible, obtain at least three (3) written quotations. This shall not apply to the purchase of air tickets and/or related services or to the purchase of hotel accommodation and/or related services.
- (b) In the case that the purchase of a product or service does not fall under the responsibility of any Manager or Head of Department, the procedure mentioned in clause (iii) (a) above shall be executed either by the President or the Treasurer.
- (c) In the case that less than three (3) quotations had been obtained, the reason for the lack of written quotations must be stated either on the Purchase Order Form or in a memorandum attached to the Purchase Order Form presented for approval.
- (d) These quotations must be attached to the Purchase Order Form presented for approval.

- (e) The choice of the supplier and approval of the proposed purchase shall be made by the Executive Committee, except in the case of the purchase of air tickets and hotel accommodation, in which cases the decision shall be taken by the Bureau. Furthermore, in the case of purchases to be made to the account of the Sports Facilities Board, the decision may be taken by the Sports Facilities Board in lieu of the Executive Committee. In the latter case, the President shall inform the Executive Committee of such decision at the earliest opportunity.
- (f) When deciding upon proposed purchase, in the case that a potential supplier is a member of the Executive Committee or the Sports Facilities Board, such member shall abstain from that part of the meeting during which such a purchase is discussed and until a decision is taken.
- (g) The Executive Committee or the Bureau or the Sports Facilities Board, as the case may be, may refuse to accept any quotation or proposal and may decide to ask for quotations or to make a public call for tenders on those conditions which may be deemed fit.
- (h) If a proposed purchase is considered both by the Executive Committee and by the Sports Facilities Board and conflict of opinion arises between the Executive Committee and the Sports Facilities Board as to whether a public call for tenders should be made, the latter opinion shall prevail.

### 3. Urgent Cases

The conditions for the purchase of goods and services mentioned in clause 2 above, may be held in abeyance in those cases in which the President of the Association and another Officer of the Association jointly deem that a purchase to be made is of an urgent nature. In every such case, the President shall inform the competent body mentioned in these regulations of such a decision at the earliest opportunity.

### 4. Preferred or Exclusive Suppliers

- (i) The Association may keep a list of Preferred and/or Exclusive Suppliers from whom purchases must be made and/or quotations are to be obtained. This list may not include natural persons or companies owned by persons who are members of the Bureau or the Executive Committee or the Sports Facilities Board of the Association.
- (ii) This list is to be established by the Bureau. If such a list has been established, it shall be revised at least once every year.
- (iii) In the case of obtaining of quotations, the fact that a supplier is not included in the list of Preferred and/or Exclusive Suppliers, shall not debar such supplier from giving a quotation.

### 5. Purchase Order Forms

- (i) Purchase Order Forms must be numbered and kept in booklet form.
- (ii) Each booklet containing the Purchase Order Forms must be numbered.
- (iii) The Finance Department shall issue the necessary Purchase Order Forms booklets to the President, the Treasurer and to the Managers and Heads of Departments as it may be deemed necessary. The Finance Department shall keep a record of such booklets.
- (iv) A used Purchase Order Forms booklet shall be returned to the Finance Department within fifteen (15) days of its exhaustion.
- (v) Purchase Order Forms shall be made in triplicate and shall be distributed as follows:
  - (a) The original copy is to be given to the supplier after the necessary authorisation in accordance with these regulations had been obtained;
  - (b) The first copy is to be attached to the invoice and to a copy of the delivery note and is to be handed over to the Finance Department; and
  - (c) The second copy is to be retained in the appropriate Purchase Order Forms booklet of the Official, Manager or Department issuing the Purchase Order Form.

### 6. Delivery Notes

- (i) In the case of purchase of goods, the Manager or Head of Department that had raised the Purchase Order Form shall have the responsibility of obtaining a copy of the Delivery Note of the goods purchased and must keep a file containing all the Delivery Notes regarding such goods.
- (ii) A Delivery Note must be issued on the letterhead of the supplier and duly signed by the Manager or Head of Department taking delivery of the goods or by the person authorised by them to take such delivery.
- (iii) A copy of each Delivery Note is to be attached to the first copy of the Purchase Order Form.

## **7. Petty Cash**

- (i) Normally, all payments to be made by the MFA are made by means of a cheque signed by the President jointly with another person as decided by the Executive Committee. However, cash payments for the purchase of small items and cash payments in the case of regular purchases of goods in case that the supplier does not accept cheques, as for example in the case of the purchase of postage stamps, are permitted. Such cash payments shall be made from the Petty Cash Account.
- (ii) The Bureau shall decide who are those persons within the Association that are to be supplied with a Petty Cash Account and the amount of cash to be supplied. The amount of petty cash shall not exceed one thousand euro (€1000) per month.
- (ii) The person receiving petty cash shall sign a receipt of the amount received by the Finance Department which must keep a record of all such receipts.
- (iii) The holder of a Petty Cash Account shall keep a ledger in which all cash payments shall be registered by not later than on the day following the day of payment. Each such entry is to be supported by the relative receipt. When a receipt had not been obtained because the supplier had failed to give a receipt, the item/s purchased must be shown to the Treasurer by not later than on the day following the day of payment. The Treasurer shall certify in writing the purchasing of the item/s concerned. This certificate shall be kept by the holder of the Petty Cash Account in lieu of the receipt of the supplier.
- (iv) Each payment from the Petty Cash Account may not exceed the sum of one hundred euro (€100). In exceptional circumstances, the Treasurer may authorise in writing the payment of a higher amount.

## **8. Monthly Reports**

- (i) A monthly report of all purchases in the previous month is to be compiled by the Managers and Head of Departments who in the previous month had raised a Purchase Order Form that had been executed.
- (ii) Such reports must be made by not later than the 15<sup>th</sup> day of the month and handed to the Finance Department.
- (iii) Each and every report must be supported by the necessary documentation.
- (iv) The provisions of this article shall apply also to purchases made through the Petty Cash Account.

## **9. Duties of the Finance Department**

- (i) The Finance Department must ensure that no payments for the purchase of goods or services are made if the applicable rules in these regulations had not been followed.
- (ii) The Finance Department must ensure that proper documentation in accordance with these regulations is kept at least until the annual accounts had been audited by the Association' s External Auditor and such audited accounts had been approved by the Association' s Annual General Meeting.

## **10. Duties and Obligations of Managers and Heads of Departments**

- (i) Any person within the Association who purchases goods and/or services without observing the provisions of these regulations shall be personally liable to the supplier for the payment of the price.
- (ii) Managers and Heads of Departments must ensure that proper documentation in accordance with these regulations is kept at least until the annual accounts had been audited by the Association' s External Auditor and such audited accounts had been approved by the Association' s Annual General Meeting.