



ST.MODWEN

GROUP FINANCE

SUPPLIER INVOICING

No Purchase Order, No Pay policy

Supplier Guidance

Please note the payment of sums owed by St. Modwen Homes are not affected by this policy as they have a separate accounting system

No PO, No Pay Policy	Policy Owner	Sally Smith, Purchase Ledger Manager		
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	Version:	1.0	Date:	01/11/2022
		2.0	Date:	20/12/2023

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Purpose

This document provides the supplier with information on the Purchase Order process and how to ensure that payments are made promptly.

St. Modwen Responsibilities

It is the responsibility of all St. Modwen (STM) employees to ensure that a valid purchase order (PO) is in place before any goods or services are requested from a supplier. Where a third party has been appointed to procure on their behalf a STM employee should make them aware of this policy.

Supplier Responsibilities

It is the responsibility of all suppliers to ensure that they are in possession of a valid STM PO prior to delivery of goods or services. Suppliers are required to reference the PO number on their invoice to ensure that payment can be made. Failure to reference to valid PO number will result in the invoice being rejected.

Policy Exceptions

The following types of expenditure are the only exceptions where STM will accept invoices for payment without a supporting PO:

- Utilities (e.g. water, energy, phone tariffs and phone lines)
- Planning fees and grant payments
- Rent

Invoice Submission requirements

All invoices submitted to STM for payment must be presented in the following way to enable us to process them promptly.

General information

Invoices should be sent by email to invoices@stmodwen.co.uk unless you have been requested to send invoices to:

- constructioninvoices@stmodwen.co.uk for work on construction activities associated with clearing, building, renovating, refurbishing or landscaping a site
- utilities@stmodwen.co.uk for water, electricity and gas supplies to sites and offices

Payment WILL be delayed if invoices are only sent to an STM employee

Suppliers should send one machine-readable PDF for each invoice that includes, where necessary, backing sheets (i.e. the backing sheets should not be in separate PDFs). Suppliers can, in one email, send multiple invoices as individual machine-readable PDF files.

- Processing of invoices may be delayed if the supplier is unable to submit its invoices via email

Contents of invoices

Each invoice must include full company details of the supplier:

- The full legal name of your company, company address, VAT number and company registration number
- Your bank details - payee, bank name, sort code and account number
- Contact details of your finance team in the event of a query relating to the invoice
- An invoice number, invoice date and due date
- Full details of the goods or services supplied, quantity, unit cost, net cost, VAT and total cost
- If the supplier is registered under the Construction Industry Scheme (CIS), a breakdown of Labour and Material costs
- If subject to Domestic Reverse Charge (DRC) invoices will need to state that DRC applies and that the customer must account for VAT. Even though no VAT is being charged to the customer, you must still state the amount of VAT which is due in the narrative.
- If required, a Payment Certificate should be attached from the nominated Employer's Agent – invoices should not be submitted until that paperwork is attached as a component of the invoice in machine-readable PDF format

In addition, STM requires that the following information be included:

- The full legal name of the entity being invoiced (as stated on the PO)
- A single PO number in the format nnnnnn, e.g. 101010

Failure to provide any of the above information will lead to delay in payment

Invoice Disputes

If a dispute arises in relation to an invoice, STM will seek to resolve the dispute within 30 days. If this is not possible, then the supplier will be notified by their STM employee with an explanation of the reason for the delay and a contact at STM who is responsible for resolving the dispute.

If you have any further questions regarding invoice submission or payment, please contact the Purchase Ledger team using the appropriate email address in the General Information section above or call 0333 241 8090.

Invoice Approval

All invoices must be approved by an STM employee before payment can be made. This can be done either by receipting the PO or (if one of the allowed types of invoicing not covered by a PO) by approving the invoice. These tasks are actioned directly through the appropriate STM system.

Any invoices received without a valid PO number will be returned to the supplier unpaid. In this case suppliers will be advised to resubmit the invoice quoting a valid PO number as provided by their STM contact.

Invoice Settlement

Provided that all conditions are met in accordance with the Invoice Submission requirements and no dispute is raised, invoices will be paid on the monthly payment run.

Contact Information

All invoices, statements, queries or associated correspondence should be sent to the appropriate email address in the General Information section above or, alternatively, the Purchase Ledger team can be contacted on 0333 241 8090.

Frequently Asked Questions

Q. What is the No Purchase Order, No Pay policy?

The No Purchase Order, No Pay policy is an integral part of the financial control mechanism used by STM. It helps to ensure that all expenditure is properly authorised throughout the organisation and is recorded correctly enabling good quality expenditure analysis.

The policy requires all third-party suppliers to receive a PO before they supply goods or services. Any invoice received that does not quote a valid PO number will not be processed and will be returned to the supplier unpaid.

Q. Why implement this policy of No PO, No Pay?

This will create a more streamlined process for the payment of invoices with agreed terms of business where no separate contract document exists. Furthermore, a PO follows best industry practice, as it ensures that the requirements and terms are clearly specified for both parties.

Q. Will the supplier be paid any quicker if I quote a PO number?

Yes - STM standard payment terms are 45 days from receiving an invoice quoting a valid PO number (30 days for small suppliers). Where the invoice matches and the work has been receipted, then payment will be made in that month's payment run.

Invoices received without a valid PO will be returned to the supplier unpaid.

Q. How will I recognise a valid Purchase Order number?

STM PO numbers are a six-digit number starting with a '1' (e.g. 101010).

Q. How do suppliers receive a copy of the Purchase Order?

The purchase order system holds email addresses for all suppliers. During the purchase order creation process individuals raising the PO will have the opportunity to add an alternative email address. Once the PO has been internally authorised a copy of the purchase order document will be automatically emailed to the supplier. To ensure you are invoicing the correct St. Modwen entity please ensure you refer to the PO.

Q. An invoice has been returned requesting a valid PO number. What do I need to do?

The supplier should contact the person who gave the original instruction to supply the goods or services and ask them to provide a valid PO. Invoice rejection can be avoided by insisting upon receipt of a valid PO before accepting any request for delivery of goods/services or commencement of works.

Upon receipt of a valid PO the supplier can commence working on the request for the provision of goods / delivery of the specified service etc., and upon completion will then be able to submit their invoice referencing the correct PO number for the job to the appropriate email address in the General Information section above

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