

## No PO No Pay Policy

(No Purchase Order No Payment)

SEMCO MARITIME is committed to improving the way that it buys goods, services and works. A key change which has recently been implemented is a No PO No Pay (No Purchase Order No Payment) policy.

### Q1: What is No PO No Pay?

No PO No Pay is one of SEMCO MARITIME's key policies to ensure that goods, services and works are only delivered to us that have been ordered in accordance with our Procurement Procedure and properly authorized by an employee with authority to make a commitment on behalf of the Company and that payments are only made to suppliers and contractors where the supplied invoice references a valid official purchase order (PO) number and matches the information contained therein (unless a pre-agreed exception applies – see Q7 below for a full list).

### Q2: Why a No PO No Pay policy?

No PO No Pay ensures that SEMCO MARITIME only pays for goods, services and works which have been ordered and authorized in accordance with SEMCO MARITIME's Procurement Procedure, General Purchase Conditions (GPC's), Purchase Agreement, or Frame Agreement **BEFORE** any goods, services or works are delivered. It also ensures invoices received by the Accounts Payable team can be processed efficiently to minimize delay to suppliers and contractors. Invoices received by the Accounts Payable Team without a valid PO number and which do not match the information in the PO will be returned to the supplier and may **severely delay payment to the supplier or mean no payment at all.**

### Q3: When does No PO No Pay come into effect?

The No PO No Pay policy applies **now** and applies to all orders for goods, services or works delivered to SEMCO MARITIME.

### Q4: How does No PO No Pay work?

No PO No Pay works by requiring all invoices submitted by suppliers and contractors to contain an official PO number AND match the information contained within the PO. In all but exceptional circumstances the PO number will be:

- generated from SEMCO MARITIME's ERP system (see Q6)
- provided to the supplier or contractor **BEFORE** making any deliveries

In exceptional circumstances an Emergency PO may be supplied with limited details or description of the goods, services or works to be delivered, however this should be followed up with a valid PO within two working days. An exceptional circumstance does not include any circumstance that does not pose an immediate threat or danger to persons, property, or the environment OR threatens critical project operations. In the case of the latter, use of a credit card to purchase is strongly encouraged instead of an emergency Po where the supplier accepts that form of payment.

**Any invoice received by the Accounts Payable Team that does not refer to a valid PO number and does not match the information contained in the PO will not be processed and may be returned to the supplier which could result in severe delays in the supplier being paid.** There are exceptions to this general rule and these are listed in Q7.

#### **Q5: Valid PO's?**

Suppliers **must not**, under any circumstances, accept any verbal or written order from a SEMCO MARITIME employee or agent **unless** a valid PO is given or an exception as set out in Q7 applies or it is an emergency PO. As previously mentioned **any invoice received that does not refer to a valid PO and does not match the information contained in the PO will not be processed and will be returned to the supplier**, unless it is covered by an exception (see Q7).

#### **Q6: What is a Valid PO?**

Valid PO's are Purchase Orders from SEMCO MARITIME's ERP system, which are:

- issued by an authorized employee
- includes a description of all goods, services and works ordered
- bearing a valid PO number

As set out in Q4 above, in exceptional circumstances an Emergency PO can be supplied with a valid PO number but lacking a detailed description of the goods, services and works to be delivered. In which case a complete valid PO will be issued within two working days.

#### **Q7: What exceptions apply to the No PO No Pay policy?**

The following circumstances do not require a valid PO. This list is under constant review and any further changes will be communicated to our suppliers by email or by SEMCO MARITIME's website at [www.semcomaritime.com](http://www.semcomaritime.com). The Exceptions List currently covers:

- Travel expenses (flight tickets, hotels, taxis, etc.)
- Attorneys and legal services
- Auditors and accountancy services
- Financial services
- Leasing of company cars
- IT and Telephony Services ((i.e. broadband, mobile phones)
- Utilities (i.e. gas, electric, water)
- Postal Services
- Catering services and entertainment
- Real estate, building rentals not specifically requested by projects
- Payments to or on behalf of public bodies - this refers only to non-procurement related payments.
- Payments to Individuals not related to consulting or other services
- Purchases made with a Credit Card
- Other exceptions as defined by Finance and Procurement

#### **Q8: I have supplied goods or services to SEMCO MARITIME, where do I submit my invoice?**

All invoices must be sent electronically to the appropriate AP email address, which is specified on the PO.

#### **Q9: Will I get paid any quicker if I refer to a PO number?**

As previously mentioned **any invoice received that does not refer to a valid PO and does not match the information contained in the PO will not be processed and will be returned to the supplier**, unless it is covered by an exception (see Q7). Unless agreed in advance, and in line with SEMCO MARITIME's GPC's, our standard payment terms of **'end of current month plus 60 days from receipt of a valid invoice** (not the invoice date) will remain for all suppliers.

**Q10: In the past invoices without a PO number have been paid by SEMCO MARITIME, will this still happen?**

**No.** The No PO No Pay policy will see invoices without a valid PO number as not being recognized and they will be returned to the supplier, unless they are covered by an exception (see Q7).

**Q11: An invoice has been returned requesting a valid PO number to be provided and/or description of what was ordered updated. How can this be obtained?**

You should contact the SEMCO MARITIME employee who gave the original instruction to supply the goods, services or works and ask them to provide a PO number and/or updated PO. Once obtained, please re-submit your invoice ensuring that the PO number is referenced.

Please ensure that the SEMCO MARITIME employee or agent giving the instruction to supply the goods, services or works is authorized to do so and issues you a valid PO BEFORE making any deliveries. **Invoices received for deliveries made to SEMCO MARITIME according to instructions received from unauthorized employees and agents will be returned unpaid.**

**Q13: What should I do now?**

Please ensure that all your staff who receive orders to supply goods, services or works to SEMCO MARITIME are aware of **No PO No Pay** and insist on being supplied with a valid PO with an accurate description of the goods, services or works to be delivered. If in doubt if the person giving instructions or placing an order is authorized to do so please contact SEMCO MARITIME Procurement at [procurement@semcomaritime.com](mailto:procurement@semcomaritime.com).

**Q14: Will I be kept informed of future changes to No PO – No Pay?**

**Yes** – Updates will be available via our website regarding the No Po No Pay policy.

**Q15: Where do I get further information on supplying goods, services, or works to SEMCO MARITIME?**

Please visit our website at [www.semcomaritime.com](http://www.semcomaritime.com) or if you have any specific questions then please email them to [procurement@semcomaritime.com](mailto:procurement@semcomaritime.com).