



National Financial Regulations B-1 Procurement

Frequently Asked Questions

Version 1.2.5

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NFR B-1 Procurement

1.1 What are the steps involved in each purchasing transaction?

The steps involved in each purchasing transaction are:

- Identification and Notification of Need
- Confirmation of availability of funds and budget approval
- Sourcing of suppliers to provide goods and services
- Approval and issue of Purchase Order

1.2 What is Prompt payment interest?

Under current EU regulations the late payment of an invoice incurs penalties in the form of late payment interest. The HSE is committed to meeting supplier payments in an efficient and timely manner in keeping with Prompt Payment Legislation. When we don't process invoices on time we pay interest plus possible compensation.

Invoices must be date stamped immediately upon receipt. If the invoice was received before the receipt of the goods, then the date received should be amended for Prompt Payment Interest calculation to the goods received date. This is the baseline date from which the 30-day period for payment of an invoice commences.

If an invoice is being disputed, the 30-day period is paused until the dispute can be resolved. Payment should be made after the dispute is resolved.

To avoid potential penalties and maintain good relationships with suppliers, queries or issues with invoices need to be:

- identified quickly
- notified in writing without delay to the supplier
- recorded and followed up effectively to ensure late payment calculations are correct

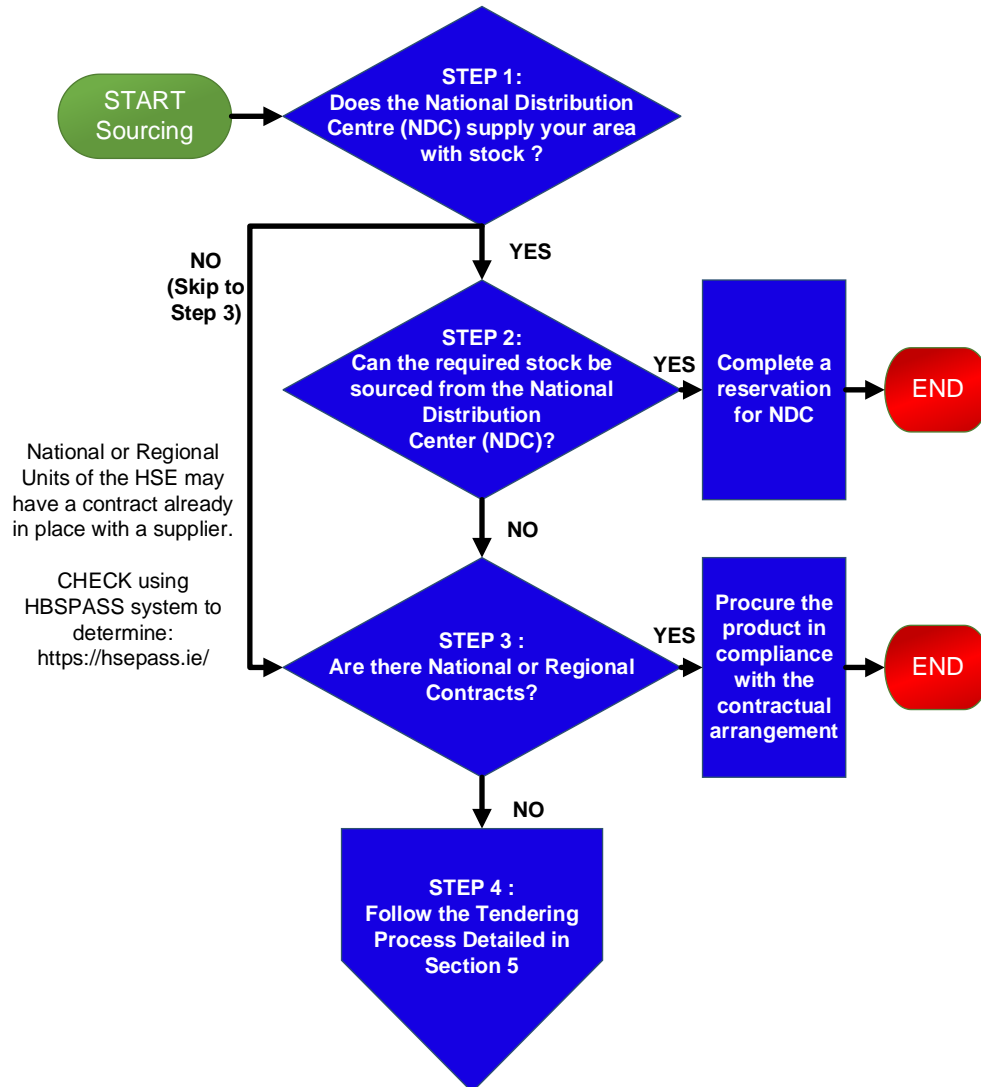
1.3 Can the person who raises the Purchase Order (PO) be the same person signing off for payment if another person physically receives and inspects goods and provides initials?

No one employee can approve a PO or contract and sign off on the receipt of the goods or services. There must be clear Segregation of Duties between the purchase ordering and receiving.

1.4 Who can receipt goods?

The employee who receipts the goods must be different to the employee who approves the requisition or PO. When goods are receipted, the individual who receipts them is, in effect deciding to pay for the goods and services provided an appropriate payment request (invoice) is subsequently received. Evidence should be maintained of the approval for audit trail purposes.

1.5 How should I source a supplier?



1.6 What are the expenditure bands/ financial limits for purchase order/contract approval?

Operational expenditure (Revenue expenditure)		
Band	Staff Title, or Salary Equivalent	Revenue Expenditure(including VAT)
1	Grade 4	Up to €5,000
2	Grade 5	Up to €10,000
3	Grade 6	Up to €25,000
4	Grade 7	Up to €50,000
5	Grade 8	Up to €100,000
6	General Managers	Up to €250,000
7	Head of Service/Functions, CHOs	Up to €500,000
8	Assistant National Director Assistant Chief Financial Officers Chief Officers CHOs Chief Financial Officer Hospital Groups	Up to €2,500,000
9	National Directors	Up to €10,000,000
10	HSE Chief Executive Officer	Greater than €10,000,000

Procurement contract approval		
Band	Title	Financial Authority
1 to 6	Grade 4 to General Manager – approval level is the same as that for Operational Expenditure (Revenue Expenditure) for respective grades.	
7	Head of Services/Functions, CHOs	Up to €1,000,000
8	Assistant National Director Assistant Chief Financial Officers Chief Officers CHOs Chief Financial Officer Hospital Groups	Up to €5,000,000
9	HSE Chief Executive Officer National Directors HSE Chief Financial Officer Chief Executive Officer Hospital Groups	Up to €10,000,000
10	HSE Board/nominated member	Above €10,000,000

1.7 Where are the approval thresholds for service arrangements or grant aid agreements for S38/S39?

The approval thresholds for service arrangements or grant aid agreements for Section 38 and Section 39 Arrangements are located in NFR B6 – Section 38 and Section 39 Arrangements.

1.8 What information needs to match in order for a payment to be made?

Payment is made following receipt and matching of a payment request (usually an invoice) to what was ordered on the PO and satisfactorily received (the GRN).

This is termed ‘the 3–Way–Match’ and is the trigger to enable payment to occur.

Where the local financial system does not allow for automated 3-way-matching or automated payment release, the above procedure must be carried out manually by the receipteer before issuing a payment.

1.9 What are the HSE standard payment terms?

The HSE standard payment terms are; 30 days from the date of receipt of invoice OR 30 days from confirmation of satisfactory goods or services.

1.10 What is the tendering process when conducting contracts below the EU Threshold and above the EU Threshold?

Tendering process table

Value of contract (exclusive of VAT)	Tendering process type
Less than €5,000	<ul style="list-style-type: none"> Can be awarded on the basis of one written quote but it is preferred if you get three quotes by email.
€5,000 – €50,000	<ul style="list-style-type: none"> Can be awarded on the basis of responses to written specifications (such as sent by email) to at least three suppliers or service providers or Can be awarded on the basis of responses to at least three quotations obtained using the electronic request for quotes facility on eTenders (currently called quick quotes). The quick quotes facility on eTenders allows contracting authorities to search for appropriate suppliers using CPV (Common Procurement Vocabulary) codes which match their particular procurement needs and may facilitate this process or. Can be awarded on the basis of a formal tendering process by advertising on eTenders.

€50,000 and up to the value of the EU thresholds	<ul style="list-style-type: none"> Must be advertised as part of a formal tendering process on etenders in line with DPER Circular 05/2023 Evaluation should be done by HSE Procurement with the budget holder in the local area.
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The tendering processes above are in line with the [Office of Government Procurement Guidelines](#).

Above EU thresholds table

EU thresholds – excluding VAT	Value	Who it applies to
Works		
Contract Notice	€5,382,000	Government Departments and Offices, Local and Regional Authorities and Public Bodies.
Goods and Services		
Contract Notice	€140,000	Government Departments and Offices.
Contract Notice	€215,000	Local and Regional Authorities outside of the Utilities sector.
Contract Notice	€750,000	All services concerning social and other specific services listed in Annex XIV of the EU Directive 2014/24/EU .
Thresholds are revised every two years. Full and up-to-date thresholds can be checked on the OGP website .		