

Organization Name (XXXXX)

Purchasing Policy

Purpose: The purpose of this policy is to provide basic rules of accountability, specifically with regard to purchases, that minimize risk and ensure the financial integrity of the XXX as well as those Managers and staff who are responsible for the financial operations of the agency.

Scope: This policy, which applies to all staff and Board members, governs the acquisition of goods and services, by purchase or lease, with XXX funds from all sources. The Finance Department has overall responsibility for administering this policy under the general direction of the Executive Director. The interpretation of this policy is the responsibility of the Finance Manager, who will provide the administrative direction to carry out the policy by stipulating the procedures and controls necessary to ensure that expenditures are made according to sound business practices with appropriate accountability.

Principles:

Goods and services shall be acquired according to the following principles:

a. Purchasing - Goods and services shall be acquired competitively from suppliers to meet specified needs and to achieve the greatest possible value for money expended.

b. XXX will not necessarily accept the lowest quote as the following criteria must be considered in the proposal review: customer service, previous business relationship with the company, community location of the company.

c. Accountability - Approvals shall be obtained and documentation shall be retained for review and auditing.

Purchasing authority and process

Goods and services shall be acquired according to the following principles:

1. Purchases of capital assets require three competitive quotes. Three quotes will not be required when purchasing from one of XXXX preferred suppliers.

2. Program Managers may authorize disbursements according to their approved budgets by completing an Internal Expense Requisition Form or Electronic Payment Requisition Form with the appropriate receipts and supporting documents. Team Leads may authorize disbursements according to their approved budgets up to a maximum of $500.00. The Program Manager/Team Lead shall clearly indicate on the cheque requisition form the program funder and budget line for the expense, based on the approved budget. The requisition will then be submitted to the appropriate person in Finance designated to process accounts payable.

3. The Finance person responsible for processing accounts payable will:

   Cheques Payments
   - verify that all receipts are attached and totals add up to the amount noted on the requisition
   - record appropriate calculations for HST, etc. on requisition, accurately post invoice and produce cheque
   - obtain the Finance Manager's signature, or the Executive Director's signature in the absence of the Finance Manager, on the requisition and two appropriate signatures on cheques

   Electronic Payments
   - verify that all receipts are attached and add up to the amount noted on the requisition
   - record appropriate calculations for HST, etc. on requisition
   - obtain the Finance Manager's/Executive Director's signature on the requisition
   - accurately post invoice into the system currently being used for electronic payments
   - advise the Finance Manager when completed for electronic authorization

4. The Finance Manager will verify that the disbursement has been posted correctly based on the information provided on the requisition and will sign the requisition. In the absence of the Finance Manager, the Executive Director will sign the requisition. For electronic payments, the Finance Manager will push the funds required to the electronic payment system and will advise the Executive Director who will electronically authorize the push. The Finance Manager will then electronically authorize the invoice payment.

5. Disbursements that are not within the budgetary constraints must be pre-approved by the Board of Directors or have direct funding associated with them.

Requests for Proposals (RFP)/Requests for Quotes (RFQ)
Consulting and Professional Services

An RFP or an RFQ must be used when a project is sufficiently complex, requires a great deal of technical information and solicits hard data for analysis and comparison and thereby warrants a formal proposal from a supplier/vendor. Additionally, any proposed purchases of goods or services amounting to a cumulative pre-tax value of $25,000.00 or more requires that either an RFP or an RFQ process be initiated.

For all consultants and professional services:

With approval from the Board of Directors, the Executive Director may engage consulting or professional services. Terms of reference must be established in writing and a purchase order raised for all such engagements. These services include, but are not necessarily limited to, audit, legal, banking and investment management services.

Review Process

The Executive Director shall identify staff responsible for conducting reviews of contracted services. Such ongoing services will be subject to review approximately every three years. These reviews will be conducted on a rotational basis.

A review will not necessarily lead to a Request for Proposal or Quote if the Executive Director deems it advisable to continue to engage the same supplier of the service. If it is decided to conduct a RFP or RFQ, this does not necessarily exclude the existing supplier from consideration. In fact, a previous relationship with a supplier may be a very positive factor for continuing with that supplier especially with regard to a history of very good performance. Factors to be considered in conducting reviews and evaluating tenders when called will include price, service, quality, personnel deployed and track record.

Conflict of Interest

XXXX employees are governed by policies on conflict of interest which prohibit the acceptance of gifts in any form from suppliers doing business with or soliciting business

Purchasing Policy Review Timetable

Action	Date
Purchasing Policy Approved by Committee	XXXXX
Purchasing Policy Approved by the Board	XXXXX
Purchasing Policy Next Scheduled Review	XXXXX