POLICY SUMMARY

SOP 5.1 — Purchase Authority

Process Name:	Purchase Authority
SOP Category:	Administration
SOP Reference:	5.1
Roles Involved:	CC, AM, OM, OSM
Last Updated:	June 2026

1 What Outcome CC Expects

- All purchases follow the correct approval path based on dollar amount and budget status.
- No purchase over $2,000 that is outside of approved budget or approved baseline SPEC is made without CC approval.
- For purchases over $2,000 and outside of SPEC: CC approves a recommendation from AM that includes at least 3 bids collected by OM/OSM.
- No financial surprises — CC is informed of all significant expenditures in advance.

2 What Must Be Done — By Who

- OSM / OM: Review the approved vendor list and confirm the purchase is within budget before any purchase.
- Under $300 and within budget: OSM may place order directly with approved vendor. Confirm with AM if outside budget.
- $300–$2,000 and within budget: OSM places order. If outside budget, OSM sends written request to AM for written approval before proceeding.
- Over $2,000 and outside of SPEC: OSM / OM collects a minimum of 3 bids and sends them to AM for review.
- AM: Reviews bids, evaluates against budget. If within budget and approved, AM forwards written authorization. If outside budget, AM escalates to CC with a recommendation.
- CC: Reviews ownership recommendation for purchases over $2,000 that are outside of budget. Approves or denies in writing.

3 What Evidence Must Exist

- Written approval on file for every purchase that required AM or CC sign-off.
- For purchases over $2,000: all 3 bids on file with the written approval.
- Approved vendor list current and accessible to onsite teams.
- Purchase authority forms retained for record-keeping and monthly financial review.

4 How the AM Verifies It

- AM approves all qualifying purchases in writing — approval is on record before work begins.

- AM reviews vendor bids for purchases over $2,000 and confirms alignment with budget.
- AM escalates to CC with a written recommendation when a purchase exceeds budget authority.

5 What CC Audits

- Significant purchases and approvals are reviewed at the monthly financial meeting.
- No surprises policy — CC expects to be informed of all out-of-budget expenditures in advance, not after the fact.
- Written approvals and bid documentation are retained and available for audit.

Supporting Tools

Process Flow: SOP 5.1 — Purchase Authority Swimlane (see Training Hub)
Request Form: SOP 5.1 — Purchase Authorization Request Form
Vendor List: [MS Teams — Approved Vendor List]
Training Video: [Loom link — add when recorded]

POLICY SUMMARY

SOP 5.1 — Defined Terms & Authority Tiers

Defined Terms	
SPEC:	Approved baseline scope of work or maintenance standard for a property. Purchases within an approved SPEC do not require additional CC approval.
Approved Budget:	The annual operating budget approved by CC for each property. Purchases within this budget follow the standard approval tiers by dollar amount.
Outside of Budget:	Any purchase not covered by the approved budget or SPEC. Requires written AM approval ($300–$2,000) or CC approval (over $2,000).
3 Bids:	A minimum of three written quotes from vendors for any purchase over $2,000 that is outside of SPEC. Required before AM submits recommendation to CC.
Written Approval:	Documented sign-off via email or signed form. Verbal approval is not sufficient. Must be on file before work begins.
Approved Vendor:	A vendor on the current approved vendor list. Purchases should default to approved vendors unless an exception is documented.

Purchase Authority Tiers — Quick Reference

Tier	Amount	OSM / OM	Asset Manager	CC / Ownership
Tier 1	**Under $300**	Confirm vendor + budget, place order	Confirm vendor list and pricing. Approve if outside budget.	CC informed at monthly financial meeting
Tier 2	**$300 – $2,000**	Confirm budget. If outside budget, send written request to AM.	Review and approve in writing if outside budget.	CC informed at monthly financial meeting

Tier 3	**Over $2,000 + outside SPEC**	Collect 3 bids. Send to AM for review.	Review bids. Approve if within budget. Escalate to CC with recommendation if outside.	Review AM recommendation. Approve or deny in writing.

Additional Context / Notes

Version History

Version	Date	Updated By	Summary of Changes