

Subject: Fiscal Policy #7
Purchasing Policy
Revised 3/27/2024

OBJECTIVE: This Purchasing Policy is to ensure there are internal controls in the procurement process that clearly explain how purchasing is done and what can be purchased with a focus on quality and price, who can approve purchases, who can sign purchasing agreements (service and/or contractual), and what payment terms are acceptable. All employees must follow this policy and any failure to follow this purchasing policy may result in disciplinary actions, including but not limited to, termination of employment.

PURCHASING AUTHORITY

The Chief Executive Officer is authorized by the Board of Directors for all procurement actions on behalf of Choices In Community Living. The CEO is the only staff member authorized to sign purchase agreements and contracts unless he designates a signer. The CEO has delegated certain purchasing functions to employees in respective departments based on authorized spending limits, competitive pricing, and prior approval.

Purchase requests will be emailed to the respective supervisor of the staff member for all single purchases over \$250 and any other member of the team based on the authorized limit identified below. The email should include what item(s) is (are) being requested for purchase, for what program or person, from where or whom item(s) is being purchased, the estimated cost of the purchase, and the three quotes if the item is greater than \$1,000. We are a tax-exempt organization and will provide a certificate of tax exemption to the vendor.

Authorization spending levels:

Up to \$250	Program Manager or designee
Up to \$1,000 to \$5,000	Program Director, Human Resources Director, Finance Director
Up to \$50,000	Chief Executive Officer
Over \$50,000	Board of Directors

PURCHASES EQUAL TO OR LESS THAN \$1,000

Purchases of goods and services that are equal to or less than \$1,000 should be made using the Choices credit card, if possible. These purchases shall be made from vendors who supply the item at a reasonable price and with an acceptable quality level. Departments should obtain verbal quotations and determine their reasonableness, inspect the item before purchasing it if applicable, obtain confirmation of card acceptance via email, and obtain a receipt for monthly purchasing card reconciliation purposes. Any single purchase over \$250 requires approval from the employee's respective supervisor. The only exception would be client groceries.

PURCHASES GREATER THAN \$1,000 BUT NO MORE THAN \$50,000

Purchases of goods and services that are greater than \$1,000 but no more than \$50,000 at least three quotations as provided below. Quotations may be solicited by email or telephone. In cases when the requirements cannot adequately be expressed orally, a written Request for Quotations must be sent to potential bidders. Documentation of the quotations requested and received must be attached to the email request of the employee's supervisor. If at least three quotations were not obtained, or if other than the lowest quotation is being recommended for award, the reasons shall be documented in the email request including the Finance Director on all requests. Approval or rejection of the request will be emailed to the employee requesting the purchase.

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PURCHASES GREATER THAN \$50,000

For all purchases greater than \$50,000, formal bids or quotations shall be obtained with the goal of competitive bidding with a focus on quality. Purchases greater than \$50,000 require the approval of the Board of Directors. If the Board approves the request, a formal board approval will occur and be documented in the Board minutes. No single purchase of greater than \$50,000 will occur without the Board's approval. The Board of Directors meets monthly so please ensure this is built into the planning process.

CREDIT CARDS/PETTY CASH

The authorization spending levels for the use of Choices' credit cards and/or petty cash fall under this purchasing policy. Please refer to Fiscal Policy #3 for petty cash requirements and Fiscal Policy #8 for credit card use requirements. Any single purchase of \$250 or more requires prior approval from the employee's supervisor before initiating a purchase.

DIRECTOR DISCRETIONARY SPENDING

Each director has been provided with a discretionary spending budget of \$200 per home for the calendar year. These funds are to be used for special recognition of staff, food for staff meetings, birthdays, or any other special event or recognition. Please ensure the original credit card receipt is allocated to account 4657 (department code 099). Any single purchase of \$250 or more requires prior approval from the employee's supervisor before initiating a purchase.

STAFF ACTIVITIES

Employees who accompany clients to a restaurant and/or entertainment (e.g., movie) will be allowed to purchase on their behalf as follows:

- Meals - carryout or drive-through - \$11.00; Restaurant \$16.00 (\$13.92 dinner plus 15% tip of \$2); Buffets (full cost except for drink)
- Entertainment – pay for the cost of entry (e.g., movies) if the theater does not offer free companion/caregiver tickets. Choices will not pay for food or snacks at the movie.

Please ensure the original credit card receipt is allocated to account 4656 (and the program's department code). Any single purchase of \$250 or more requires prior approval from the employee's supervisor before initiating a purchase.

NEW VENDOR ENROLLMENT AND REGISTRATION

All new vendors are required to submit a current IRS Form W-9 that provides the vendor's TIN (Tax Identification Number). The fiscal office will reach out to new vendors. If this is not submitted timely by the vendor, this may result in payment delay.

PAYMENT TERMS

Payment terms are Net 30 which means we have up to 30 days to pay the vendor upon invoice date.

CONFLICT OF INTEREST: EMPLOYEE-VENDOR RELATIONSHIPS

Choices policy attempts to avoid preferential treatment in purchasing goods and services by separating employees' personal interests from the interests of Choices. An employee-vendor

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relationship is any relationship between a Choices employee and a proposed vendor that might create a conflict of interest. Examples of employee-vendor relationships include:

- A Choices employee acts as a vendor to sell goods or services to Choices.
- A Choices employee buys goods or services for Choices from a vendor who is a member of the employee's family.
- A Choices employee or a member of his or her family owns or controls at least 10% of the business from which Choices purchases goods or services.

We strive to avoid employee-vendor relationships. If a potential employee-vendor relationship exists, an employee must disclose it, in advance of the purchase, to their supervisor and the Finance Director. A careful analysis of the relationship will be reviewed before purchasing the goods or services. If an employee-vendor relationship is not disclosed and it is later discovered that one existed, the employee may be subject to disciplinary actions, including but not limited to, termination of employment.

FEDERAL FUNDING – FOR FUTURE FEDERAL GRANTS

Goods and services to be procured, which are funded by a Federal grant program, shall be procured under the current guidelines and procedures in 2 CFR §200.318 through §200.326 (“Federal Super Circular”).