

5.5 FINANCIAL AUTHORIZATION

Overview:

To make sure that all use of money is appropriate and approved, and that stakeholders can be confident that funds are spent in a responsible, efficient, effective, and ethical manner.

Policy:

All expenditures will be in accordance with BACI's constitution and by-laws regarding allowable spending limits and use of program budgets.

All expenditures must be properly approved. For example, supplies and equipment purchased on account must be approved in advance (following BACI's spending authorities). Further, all persons making expenditures on behalf of BACI must exercise financial discretion in order to ensure that purchases are reasonable and cost-effective.

Tendering:

Three written quotes are required for the purchase of goods or services that exceed \$5,000.00. However, written quotes may also be required for purchases under \$5,000.00. Purchases may not be split in order to avoid this spending limit.

BACI is not bound to accept the lowest price offered. Factors that shall inform the selection of a successful tender include: quality, warranty, financial stability of the supplier, experience, references, ability to accommodate our program and scheduling needs, and cost.

Quotes, including proof of the contractors' service and business legality, must be attached to the applicable receipts/invoices. In cases of capital asset purchases, copies of this information will be used to adjust capital assets schedules and will be maintained in Asset files.

Successful tenders for substantial capital expenditures (over \$10,000) will include a schedule of payments, holdbacks, and/or advances.

The policy guidelines of Purposeful Purchasing, Disability Confident, and Conflict of Interest, will be considered in the contractor tendering processes.

Purchase Orders and Requisitions

Completed and approved Purchase Orders, approved as per BACI's spending authorities, are required by all staff without purchasing authority, who are making any expenditures.

Supplier Gratuities:

Employees who are directly or indirectly involved in tendering of contracts or purchasing of supplies or services on behalf of BACI may not receive gratuities

or gifts from vendors for those purchases. All such offers or cases must be disclosed as per BACI's Conflict of Interest policy.

Warranties:

In the event that warranties are available at an additional cost, the decision to purchase a warranty should be supported by a simple cost/benefit analysis.

Holdbacks:

Holdbacks of 10%-20% will be required for capital projects that exceed \$10,000.00. The amount of the holdback will depend on industry standards and the size of the expenditure. Holdbacks will not be released until a there is confirmation that the project has been satisfactorily completed¹.

BACI will not pay carrying charges for holdbacks other than in exceptional cases approved by the Executive Director.

Where capital purchases are made and capital budgets have not been provided, BACI will attempt to negotiate the appropriate depreciation costs into applicable program contracts.

Spending Approval:

All expenditures must be in accordance with BACI's Constitution and By-Laws. Purchases may not be split to avoid purchase authorization limits. All invoices must be approved (by initials) by the appropriate staff member or have attached an approved purchase order for staff that do not have any spending authorities. Only original approved invoices are accepted for payment.

In no cases shall BACI's spending limits stated in the Constitution be exceeded without the approval of the Board of Directors.

Operating (Non-Capital) Purchases

Purchase limits for operating budget expenditures are assigned as follows:

- a) Executive Director: \$10,000
- b) Managers: \$5,000
- c) Coordinators: \$250. Such expenditures must be related to the maintenance of Association vehicles or property.
- d) Supervisors: \$250.
- e) Line staff: As per individual program budgets or amounts pre-authorized by persons with appropriate spending authority (above). These purchases should be accompanied by an approved purchase order.

1. Confirmation will consist of final inspection reports and the necessary permits, which verify that the project meets or exceeds both the contractual agreement and the relevant industry standards.

In the event that an expenditure of greater than \$5,000 and less than \$10,000 is required on an urgent or emergency basis and the Executive Director is unavailable, the expenditure may be approved, provided it is authorized in writing by two Managers. In dire circumstances, verbal authorization is acceptable, provided it is later accompanied by supporting documentation (outlining the urgent nature of the request and written authorization(s)). Expenditures or commitments in these circumstances cannot exceed \$10,000.

Capital Purchases:

Capital purchases require prior investigation and assessment by the Senior Manager of Finance, and approval from the Executive Director.