

# Victoria-Shuter Non-Profit Housing Corporation

<b>POLICY NAME</b>	<b>Purchasing Policy</b>
<b>POLICY NUMBER</b>	2013-107
<b>DATE</b>	May 2013
<b>DATE REVIEWED OR REVISED</b>	
<b>REFERENCES</b>	
<b>SEE ALSO</b>	<i>City Guideline 2011-05</i> <i>City Guideline 2008-7</i> <i>Investment Policy</i> <i>Petty Cash Policy</i>

## POLICY STATEMENT

Victoria-Shuter Non-Profit Housing Corporation is committed to open and objective business practices in all its purchasing and contracting. Its spending practices and awarding of contracts will be consistent with Conflict of Interest guidelines.

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## PURPOSE & SCOPE

### PURPOSE

The purpose of the policy is to establish procedures that allow for fair, open and objective business practices in all its purchasing and contracting.

### SCOPE

This policy applies to the Board of Directors and Management.

## PROCEDURES

### 1. OPERATING EXPENSES

The board of directors will approve a yearly operating budget for the next fiscal year. The board has the authority to spend the operating funds of the non-profit in each fiscal year up to the amount of the complete operating budget.

The board may use a surplus in one category of expense to offset a deficit in another category within the budget.

Individual members of the non-profit may not authorise expenditures or otherwise make financial commitments on behalf of the non-profit unless the board has given them explicit authority to do so.

The board may delegate authority to spend funds to the staff of the non-profit within set limits.

No person may initiate or approve any expense or purchase where that person has any conflict of interest in the matter.

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## 2. BUDGET CONTROL

The board will receive a monthly budget control report. The report will compare budgeted income and expenses to actual income and expenses. This report will:

- a. compare budgeted income and expenses to actual income and expenses
- b. show the projected income and expenses for each category in the budget for the rest of the year
- c. provide a written explanation of any projected actual surplus or deficit.

## 3. CAPITAL EXPENSES

The board must prepare a capital budget if it is planning capital expenses. The budget will be presented to a meeting of the members for approval. The capital budget must show:

- a. the proposed capital expense(s)
- b. the proposed source of funds, and
- c. the impact of the proposed expenses on the non-profit's current and future operating budgets.

Members' approval of the capital budget will authorise the board to spend the non-profit's funds for capital expenditures for the purposes and from the sources specified, to a maximum of the total expenditures in the budget.

The board must directly approve contracts and other documents that commit the non-profit to spend significant amounts of capital funds. The board can delegate authority to the staff to spend lesser amounts. When the board delegates authority, it must set limits on the amounts staff may spend and give any specific directions relating to the expenses that it considers appropriate.

No person may initiate or approve any capital expense or purchase where that person has any conflict of interest in the matter.

## 4. EMERGENCY EXPENSES

Emergency expenses are those expenses the non-profit must make immediately because a delay will:

- a. risk property damage, or
- b. endanger the safety of persons or property, or

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- c. disrupt essential services to tenants (for example, light and power, heat, hot water, refrigeration, cooking).

The board may authorize any unbudgeted emergency expenses on the non-profit's behalf. The board may delegate authority for emergency expenditures to non-profit staff or to any other persons.

All unbudgeted emergency expenses must be reported to the board.

The following rules apply to all spending except for routine or non-discretionary expenses such as property taxes, mortgage payments, utilities and management fees:

## 5. EXPENSES UNDER \$2,000

The board is not required to get written quotes for expenses under \$2,000, but must take a prudent approach to spending at every level.

## 6. EXPENSES BETWEEN \$2,000 AND \$14,999

The board will get three written quotes before approving a discretionary expense between \$2,000 and \$14,999.

The board may waive this requirement in cases where:

- a. the non-profit has used a particular supplier or contractor regularly, or participates in a bulk-buying program, and
- b. has found that their prices are competitive.

The non-profit must review the prices of regular suppliers and contractors at least every second year to see if their prices remain competitive. Where the non-profit has a contract, the non-profit must review prices at the end of the contract.

There will be no automatic renewal of any contract or agreement.

## 7. CONTRACTS OF MORE THAN \$15,000

The board must get written quotes for contracts and agreements of \$15,000 or more. Contracts or agreements costing \$15,000 or more must contain a clause allowing the non-profit to terminate the contract or agreement without penalty where there has been a breach of Conflict of Interest guidelines.

There will be no automatic renewal of any contract or agreement.

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## 8. CHOOSING A QUOTE

When choosing a quote the board must:

- a. consider the quality of goods and services to be provided, and
- b. base its decision on written documents outlining resources, timing, cost and fees.

The board does not have to choose the lowest quote. It may choose another quote for reasons such as quality, experience and timing. If it does not choose the lowest quote, it must document the reasons for its choice in the minutes.

**Policy 2013-107 of Victoria Shuter Non-Profit Housing Corporation passed by the Board of Directors at a duly constituted meeting held on May 14, 2013**