



Manual Title:	Finance and Administration (Bethesda Community Services Inc.)	Dept.:	Finance	FN13.1
Section:	Purchasing Policy	Date Issued:	April 30, 2018	Page: 1 of 4
Sub-Section	Purchase Requisition system and approvals	Supersedes:	December 20, 2017	FIN13.1

1 POLICY

- 1.01 All employees shall obtain appropriate authorization for any expenditure of company funds.
- 1.02 All practices for purchasing goods and services are in accordance with Generally Accepted Accounting Principles, Ministry guidelines, and sound financial practices.

2 PURPOSE

- 2.01 The purpose of this Policy is to establish and maintain internal control over the acquisition of goods and services.

3 SCOPE

- 3.01 This policy applies to all individuals making purchases on behalf of the company.

4 RESPONSIBILITY

- 4.01 All operating departments are responsible for ensuring that expenditures made on behalf of the company represent good value and result in an appropriate benefit to the company.
- 4.02 The Finance Department is responsible for ensuring that no payments are made without appropriate authorization.

5 DEFINITIONS

- 5.01 "General Purchase Requisition" (GPR) refers to a document requesting a cheque to be prepared for payment of a company expense. These include all relevant accounting information and are required to be approved by the appropriate authorization level. The current form being used is maintained by Finance and found on the common drive.
- 5.02 "Purchase Order" (PO) refers to an electronic purchase record located in the accounting system. These include all relevant accounting information and are required to be approved by the appropriate authorization level.
- 5.03 "Purchasing System" refers to a program used to obtain approvals for some goods and services purchased. The proper flow of approvals is maintained and approved within this program. This program is outside of the accounting system used.
- 5.04 "Electronic Purchase Requisition" (EPR) refers to the electronic document within the Purchasing System that requests approval for company expenses. These include all relevant accounting information and are required to be approved by the appropriate authorization level.



Manual Title:	Finance and Administration (Bethesda Community Services Inc.)	Dept.:	Finance	FN13.1
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6 REFERENCES and RELATED POLICIES

- OP7.0 – Purchasing
- OP7.1 – Purchasing – Special Requests (including Equipment and Vehicle Purchases, Capital Expenditures and Motor Vehicle Accident Repairs)
- OP7.2 – Centralized Purchasing

7 PROCEDURES

7.01 *Purchases under \$750*

- a) Any Bethesda staff can request to purchase goods or services through their respective manager.
- b) Prior to purchasing an item, staff must obtain an email approval or a signed GPR. Once approved, the staff can purchase the goods or services requested. Exceptions to approval prior to purchase may include invoicing throughout a contract and emergency purchases and services.
- c) The signed GPR is required to be completed prior to payment of the invoice.
- d) Managers may approve any expenditure up to \$750.
- e) When the invoice is received, the GPR and email approval must be attached to the invoice and sent to Finance for processing.
- f) Finance validates that the invoice total has been approved by the appropriate personnel. If the invoice total has not been approved, the documents will be returned to the approver. Once the total is validated, Finance inputs the information from the Invoice & GPR into the accounting system and creates a cheque to send to the vendor.

7.02 *Purchases over \$750 but under \$10,000*

- a) If the request to purchase an good or service is over \$750, Managers are required to complete a request via the purchasing system prior to the purchase. Exceptions to approval prior to purchase may include invoicing throughout a contract and emergency purchases and services.
- b) The request to purchase will be sent to the one up Manager, Director or Chief based upon the dollar amount requested and existing approval limits. The requestor is to put in the



Manual Title:	Finance and Administration (Bethesda Community Services Inc.)	Dept.:	Finance	FN13.1
Section:	Purchasing Policy	Date Issued:	April 30, 2018	Page: 3 of 4
Sub-Section	Purchase Requisition system and approvals	Supersedes:	December 20, 2017	FIN13.1

anticipated cost of the item or service. If the purchase is approved up to \$1,500, the purchase can be made by the requestor.

- c) All approved EPRs are imported regularly into the accounting system by Facilities Administration. Each PR imported creates a uniquely identified PO in the accounting system.
- d) If the purchase request is in excess of \$1,500, it is then sent to the Purchasing Supervisor for quotes and sourcing.
- e) Once the purchase is made, the receipt and the printed approval form are sent to Finance. If the purchase made exceeds the approved amount, an amendment to the original purchase must be completed and approved following the same process and all documents sent to Finance.
- f) Finance validates that the invoice total has been approved by the appropriate personnel. If the invoice total has not been approved, the invoice will not be paid and the documents will be returned to the approver. Once the total is validated, Finance finds the approved PO in the accounting system and creates a cheque to send to the vendor.

Manual Title:	Finance and Administration (Bethesda Community Services Inc.)	Dept.:	Finance	FN13.1
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Sub-Section	Purchase Requisition system and approvals	Supersedes:	December 20, 2017	FIN13.1

7.03 **Purchases over \$10,000**

- g) If there is a request to purchase an item or service over \$10,000, the CEO will require this information and in turn will communicate this to the Board.
- h) These requests must be reviewed and approved by the Board prior to purchasing the goods or services. These approvals are noted in the Board minutes, approved budget expenses or through email approvals.
- i) Once the purchase is made, the PO will be created in the Accounting system. When the invoice is received, it will be attached to the PO and approval document and sent to Finance. If the invoice total exceeds the approved amount, the Chiefs and Board will be notified and an approval of the new total will be required from the Board.
- j) Finance validates that the invoice total has been approved by the Board. If the invoice total has not been approved, the invoice will not be paid and the documents will be returned to the purchaser. Once the total is validated, Finance finds the approved PO in the accounting system and creates a cheque to send to the vendor.

7.04 **Purchase / Signing Limits**

- Managers - \$750
- Facility Manager, Senior Manager of Technology, Managers of Children’s Services, Manager of Twin Lakes Clinical Services, Manager of Behaviour Support Services and Manager of Residential Services - \$1,500
- Directors -\$3,000
- Chiefs - \$5,000
- CEO - \$10,000
- Board – All amounts in excess of \$10,000

The Chief Operating Officer and Chief Administrative Officer may temporarily approve an increase in approval limits for a specific position based on operational needs. All information relating to this increase, including start and end dates, will be communicated to Finance.

8 **ATTACHMENTS**

None