

---

*Effective: March 26, 2014*  
*Previous Release: January 31, 2011*

---

**POLICY:**

An organization's expenditures represent a tangible display of its programs, operations, and activities for funders and for the public. This policy ensures that all disbursements are authorized within the agency's approved operating and capital budgets or specifically approved by the agency's Board of Directors.

**PROCEDURES:****GENERAL PROCESSES**

1. General and capital budgets are submitted and approved by the Board of Directors prior to the fiscal year of the budget.
2. These approved budgets become the expenditure authority for the agency's operation.
3. Purchases can be initiated by any director, supervisor, manager, or assistant manager, subject to the approval requirements specified below.
4. In an effort to conserve fiscal resources, the agency utilizes a centralized purchasing system as a way of reducing costs, maximizing discounts and streamlining effort.
5. Staff is required to take advantage of the agency's tax exempt status where applicable.

**QUOTES, BIDS, AND PRICE COMPARISONS**

1. For items with an approximate value of \$2,500 or more, a minimum of two competitive bids are required. It is the responsibility of the requesting individual to also provide a bid from a second supplier of a like or substitute item for the requested expenditure.
2. If an item with an approximate value of \$2,500 or more can be constructed within the agency, the approximate cost of construction, including labor, is compared with the purchase price from an outside vendor.
3. While there is no specific bidding requirement for items costing less than \$2,500, comparison pricing is encouraged whenever possible to obtain the best value.

---

*All Policies and Procedures are updated, refined, or improved as ways are found to make them more effective. Comments and questions from any staff member are invited to accomplish this goal and are to be directed to the Chief Executive Officer.*

**APPROVALS**
**1. CAPITAL EXPENDITURES.**

- The Board of Directors approves all building purchases, vehicle purchases, and building or land improvements that increase the value or extend the life of the property.
- The CEO approves all furnishings, furniture, and equipment purchases and other capital purchases included in the capital budget.

**2. OTHER OPERATING EXPENDITURES.**

- The Board of Directors approves all unbudgeted expenditures over \$10,000. The CEO may approve an emergency expenditure, regardless of the amount. These emergency expenditures are reported to the Finance Committee and the Board of Directors at the next meetings.
- The Chief Financial Officer (CFO) or his/her designee approves any expenditure for utilities, personnel-related expenditures and other transactions authorized through contracts.

**PURCHASING AUTHORIZATION LEVELS  
OPERATING EXPENDITURES**

	BUDGETED EXPENDITURES			
	Petty Cash Transactions	Up to \$500	Up to \$1,000	Over \$1,000
CEO or his/her designee	X	X	X	X
Director	X	X	X	
Supervisor, Manager, Assistant Manager	X	X		

These authorization levels are for budgeted items only. Requests for unbudgeted purchases are subject to the same dollar limits for each position but require approval from CFO, the CEO, and/or the Board of Directors.

**RESPONSIBILITY**

It is the responsibility of the Finance Office to carry out the intent of this policy. Actions taken under this policy are subject to review and modification by the CEO or an individual designated by the CEO based on facts and circumstances of a particular case. This modification shall relate only to the particular case involved, and it is not intended that it be a modification of the policy in general.

---

*All Policies and Procedures are updated, refined, or improved as ways are found to make them more effective. Comments and questions from any staff member are invited to accomplish this goal and are to be directed to the Chief Executive Officer.*

Any individual committing HYS funds without proper authorization does so at his or her own financial risk.

**AMENDMENTS AND WAIVERS OF POLICY**

In the sole discretion of the Board of Directors, any of the provisions of these Purchasing Policies and Procedures may be amended or waived by the Board of Directors.

---

*All Policies and Procedures are updated, refined, or improved as ways are found to make them more effective. Comments and questions from any staff member are invited to accomplish this goal and are to be directed to the Chief Executive Officer.*