



I. Purpose:

The purpose of this policy is to guide the acceptable practices for purchasing by the Victor Valley College Foundation to promote fairness, fiscal integrity and donor confidence.

II. Definitions

- a. **Operational Funds** – resources related to the operations and fundraising activities of the Victor Valley College Foundation
- b. **Program Funds** – resources controlled by college departments or organizations who are the beneficiary of donations accepted by the Foundation
- c. **Grant Funds** – resources managed by the Foundation for specific contractual purposes.

III. Policy / Procedure:

The Victor Valley College Foundation will make purchasing decisions for Operational and Grant funds based on the following criteria.

- Quality of product / service
- Ability of the vendor to meet the needs of the organization's purpose
- Reputation / prior dealings
- Competitive price

Purchasing decisions for Program Funds are made by college representatives with designated authority.

Budget.

Annually the Executive Director shall present a budget to the Finance Committee, Executive Committee and Board of Directors for review and approval. This budget shall anticipate expenditures, identify major equipment / service needs and create the foundation upon which purchases may be authorized. Once approved, budgeted purchases shall be permitted within purchasing authorities without additional approval.

Accounts exceeding budgeted amounts by 10% shall require reallocation of funds recommended by Finance Committee and approved by the Executive Committee.

Purchasing Authorities.

Foundation staff shall facilitate the majority of purchases by the organization using a direct payment check, credit card, vendor invoice, or contract. Payment by check for purchase, credit card, invoice or contract shall require two signatures including at least one designated signer from among the officers of the board.

Budgeted purchases from Operational or Grant funds require authorization of the following:

- Under \$10,000 – Executive Director
- Under \$25,000 – Executive Committee

The Board of Directors shall approve all expenditures of over \$25,000.

Bid Requirements

The Foundation will make every effort to apply fair purchasing decisions that make the most effective use of resources including funds, efficient use of staff time and donor relationships.

To facilitate purchasing decisions, the Executive Director shall research price and / or request bids periodically for routine purchases to maintain awareness of fair pricing. Whenever possible requests for bids will allow vendors to provide quotes on projects based on predetermined standards to promote equivalency

All purchases over \$10,000 shall require three competitive bids or specific approval from the Executive Committee to forego the bid process when the process could not yield equivalent standards for bidders involved.

Equipment Acquisition.

The acquisition of new office equipment will follow purchasing and bid guidelines set forth in this policy and be added to the organization's inventory list and depreciation schedules as required by General Accepted Accounting Principles.

Credit Card and Debit Card Purchases.

The Foundation maintains a credit card account as a purchasing option. Purchases using credit card shall be facilitated by either the Executive Director or Executive Assistant.

An Authorized Program Fund Manager with oversight from officers who sign checks for payment of monthly statements may be authorized to use a pre-paid debit card for purchasing. Program Fund Managers may be authorized only for an amount not to exceed the available funds in their account with approval from a College Administrator and the Executive Director upon verification of funds held by the Foundation on the program's behalf. Any fees associated with pre-paid debit cards will be charged to the corresponding program fund.

Receipts for all purchases using the credit card shall be attached to the monthly statement for review by authorized check signers. In the event that a receipt is not available, staff shall attach a signed statement to explain the expense.

Authorized signers shall report to the Finance Committee when missing receipts total more than 10% of the monthly bill. The Finance Committee may then recommend rescinding of credit card purchasing authority from designated staff members.