



FINANCE POLICIES & PROCEDURES

PURCHASING & PROCUREMENT OF GOODS & SERVICES

EFFECTIVE DATE:	February 2007
REVISION/REVIEW	March 2021
DATE APPROVED BY BOARD OF DIRECTORS: Signed: JC Legault	March 2021

SCOPE:

All authorized employees and volunteers.

RATIONALE:

To ensure all goods and services purchased and/or contracted by CLOC are safe for use in the workplace.

To ensure there is consistent and adequate internal control over the acquisition of goods and services.

To ensure publicly funded goods & services, including construction, consulting services, and information technology are acquired through a process that is open, fair and transparent.

POLICY STATEMENT:

All goods purchased and contracted services must maximize the benefits to and protect the interest of CLOC.

All purchases are made by authorized personnel.

The practice for purchasing goods and services by CLOC is in accordance with Generally Accepted Accounting Principles (GAAP), meets or exceeds Safe Purchasing guidelines as outlined through the Ministry of Labour, the Broader Public Sector Procurement Directive, other regulatory guidelines and sound financial practices.

Reference:

Fraud policy
Health & Safety policy



PURCHASING/PROCUREMENT OF GOODS & SERVICES POLICY – PROCEDURES

SAFE PURCHASING PRACTICES

The purchase of all goods and services abides by the following practices & principles:

1. Health & Safety:
 - a. Purchasing abides by all the Acts and Regulations pertaining the Health & Safety including the Occupational Health and Safety Act, and the Workplace Hazardous Materials Information System (W.H.M.I.S.);
 - b. A list is maintained on each worksite of all hazardous materials proposed for use on site together with current Safety Data Sheets (SDS);
 - c. All decanted materials are labeled whether hazardous or not;
 - d. All hazardous materials are labeled according to the requirements of WHMIS;
 - e. Detailed procedures are provided for safe handling, storage and use of such hazardous materials including clean up and disposal requirements;
 - f. Disposal requirements conform to the Environmental Protection Act;
 - g. Training and instructions are given to all workers in accordance with the requirements of WHMIS.
2. Fire Safety Requirements:

Outside contractors must comply with the Ontario Fire Code by:

 - a. Maintain combustible salvage, waste and rubbish;
 - b. Protect persons and property;
 - c. Maintain fire department access;
 - d. Provide temporary fire extinguishing equipment when necessary;
 - e. Maintain existing and temporary fire exits.
3. Workers' Compensation Board Certificate of Clearance
 - a. Contractors provide a Workers' Compensation Board Certificate of Clearance Form prior to work commencing at any owned or operated CLOC site;
4. Insurance
 - a. A contractor keeps in force, for the duration of the contract, public liability and property damage insurance in an amount not less than \$2,000,000. Coverage includes Comprehensive Liability, Contractual Liability which includes all subcontractors.
 - b. Contractors submit proof of insurances as in (4 a.) in the form of an insurance certificate which contains a firm undertaking by the insurer to give the owner 30 days notice prior to any cancellation or modification of such insurance.
5. Pre-Start Up Safety Review
 - a. Upon receipt of unique, new equipment or after substantial modification of existing equipment, a pre-start up safety review is performed by the location supervisor, staff member(s) that will be working with the equipment and worker and management certified Health & Safety committee members.
 - b. Hazards are identified and the required controls are developed and assigned to reduce the risk to an acceptable level.
 - c. Equipment will not be put into use until controls identified in the review are put into practice.
 - d. Completed review and follow up by the location supervisor is attached to the monthly



location or vehicle workplace inspection as appropriate.

Supply Chain Code of Ethics

Goal: To ensure an ethical, professional and accountable supply chain.

I. Personal Integrity and Professionalism

Employees, students & volunteers involved in the Supply Chain Activity act, and be seen to act with integrity and professionalism. Honesty, care and due diligence are an integral to all Supply Chain Activities between organizations, suppliers and other stakeholders. Respect is demonstrated for each other and for the environment. Confidential information is safeguarded. Participants do not engage in any activity that may create or appear to create a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

II. Accountability and Transparency

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chair Activities comply with this Code of Ethics and the laws of Canada and Ontario. Individuals continuously work to improve supply chain policies & procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.



The following guidelines apply except if a Vendor of Record (VOR) is chosen as the supplier.

**Vendor of Records has already been selected through a competitive process by the province.

GUIDELINES FOR PROCUREMENT/PURCHASING OF GOODS, SERVICES AND CONSULTING SERVICES

The overall objective is to acquire and supply at the right time and in the most economical manner the goods, services and consulting services needed to meet CLOC's requirements in keeping with the following principles:

- Planning – Goods, services and consulting services are acquired only after consideration of needs, alternatives, timing and overall supply strategy.
- Acquiring – Goods, services and consulting services are acquired from qualified vendors to meet specific needs and to achieve, at the best price/cost value for money. Quality, quantity, delivery, servicing, experience, environmental sustainability, and the financial capability of the vendor is taken into consideration when acquiring goods, services and consulting services.
- Managing – Once procured, goods, services and consulting services are managed efficiently, effectively and economically.

To meet the specific needs of CLOC and to promote fair dealings and equitable relationships with vendors the following procurement guidelines apply:

Goods, Non-Consulting Services & Construction:

- **To acquire goods up to but not including \$10,000**
 - **Up to but not including \$10,000 use of purchase requisition; purchase order or P-card all with prior approval and signed authorization**
- **to acquire goods & services over \$10,000 up to but not including \$100,000 Invitational competitive procurement method is used with a minimum of three (3) supplies bids**

All consulting services are procured through a complete process.

**Where there is only one (1) vendor available for the purchase of the required service or consulting services, no competitive selection process is required.

CLOC does not artificially subdivide projects, procurements or contracts to avoid any requirements of this Policy/Procedure.



GUIDELINES FOR PROPER PURCHASE BY REQUEST OR INVOICE

All purchase requests / invoices are approved prior to payment

Authorization is to include:

1. **Date** - Date of request/invoice.
2. **Authorized by**- supervisor
3. **Payable to** - The name and complete address of the payee.
4. **Description** - Reason for purchase cross-referenced to supporting details or documents and attached to the request/invoice as is appropriate. (Goods received, price correct, extension checked)
5. **Coding section** - The account code or codes to be debited and the corresponding amounts with taxes (HST) identified separately
6. **Coding section** – The account code, portion of HST to be refunded)
7. **Amount** – Total amount of the cheque to be issued.
8. **Approved by** - Requires authorized signature
9. **Special delivery instructions** - If the cheque is not to be directly routed to the payee then the appropriate routing instruction needs to be reported in this space.
 - Person to whom the cheque is to be written (i.e. Cheque Requisition) cannot approve request for payment
 - All purchases are within the approved budget as per BPS Act
 - For goods & services the requirement for quotes is as follows (also see Contract Policy):
 - For goods & services up to \$5,000 – 2 documented telephone quotes
 - \$5,000 - \$24,999 – 2 written quotes
 - \$25,000 - \$99,000 – minimum 3 written quotes obtained through an open & transparent competitive process
 - over \$100,000 – open & transparent competitive process
 - Any purchases up to \$750 are approved by the supervisor
 - Purchases up to \$3,000 are approved by the Leadership Team
 - Purchases up to \$10,000 are approved by Senior Management
 - Expenses over \$10,001 identified as regular scheduled payments are approved by Director(s), or Executive Director.
 - Any purchase in excess of budget refer to Policy – Unbudgeted Expenses
 - It is the responsibility of the employee involved in the purchase and acquisition of goods and services to ensure compliance with this policy and procedure. The Finance Department is responsible for verifying that the amount requested is supported by the attached documents and that the signature is the appropriate signing authority.

PURCHASING WITH DEBIT CARDS (eg. GROCERIES)

- Debit cards with separate bank accounts are assigned per locations by supervisor. Responsibility for usage of debit card remains with the supervisor.
- Two (2) full-time employees (or designate) at each location are assigned responsibility for the



card.

- Supervisor notifies the Finance Department of designated employees
- The designated employees assume full responsibility for the card and maintain confidentiality
- As per bank procedure, the employees who are responsible for the card submit required information
- Card is issued by the bank with a PIN number assigned as per bank policy
- Designated employees complete form **Purchase of Groceries with Debit Card** attached. Completed form is kept on file in finance department and is reviewed minimally annually for accuracy, confidentiality, and security
- In event of absence of the employees responsible for the debit card, the supervisor is to make prior arrangements, if at all possible, to have funds available to designated employee at the location. In an emergency situation when the debit card holder is not available, the supervisor responsible for the location may direct, in writing, the finance department to transfer funds from appropriate location account to the general account and issue a cheque not exceeding amount transferred.
- Debit card is used for purchasing grocery items (including food, cleaning supplies, household products) and is not available for other use without written prior approval.
- Purchase for other than mentioned above must be approved by supervisor. Occupants at each location must be consulted and/or included in purchasing.
- PIN number is issued by Finance Department to supervisor and is not to be disclosed except for authorized employees. PIN numbers are changed only through the Finance Department.
- Receipts are reconciled against bank statement by the supervisor monthly and summary reconciliation forwarded to the finance department.
- Monthly grocery allowance is deposited based on 1/12 of the annual budgeted expense per location.
- If receipts are not received and/or do not balance against bank statement by the 10th day of the month following, month deposits may be delayed and/or adjusted until reconciliation complete and accurate.
- Bank balance is available on RBC Express or from Finance Department within next business day.
- Misuse of debit card, including but not limited to theft, fraud and disclosure of PIN number to unauthorized personnel are grounds for disciplinary action (See policy on Rules of Conduct)

PURCHASING BY CREDIT / PURCHASING (P) CARD

TO OBTAIN A CARD:

- Complete an application form
- Read carefully and sign the Agreement to Accept the Credit/Purchasing Card; submit it along
 - with application form. Your supervisor/s signature is required on the form prior to card issuance. All requests must be processed through Manager, Finance & IT.
- Only the Executive Director approves issuance of a credit card;
- Limits on credit cards are maximum \$2,000 unless authorized by the Executive Director
- When you receive the card, call the 1-800 number to activate use, sign the back
- Purchase (“P”) cards will be stored in the finance department safe and signed out when required. Cards are to be returned to finance promptly after purchase completed with receipt.



Community Living Oshawa/Clarington (CLOC)

- Although the card is issued in your name, it remains the property of CLOC and is only used for approved company purchases.

GUIDELINES FOR PURCHASES USING A CREDIT OR “P” CARD:

- Credit/Purchasing card is to be used for purchases within authorized limits
- Credit/Purchasing cards are issued to individuals approved by the Executive Director.
- Credit/Purchasing cards are issued with dollar limit per transaction, credit limit per month, expiry date, number of transactions per month and purchasing restrictions
- The use of Credit and/or “P” Cards is intended to reduce or eliminate the use of petty cash, cash advances, requests for cheques and the use of personal funds reimbursed.
- The use of Credit and/or “P” Cards is NOT intended to avoid or bypass appropriate purchasing or payment procedures (see relevant policies/procedures).
- THE CARD IS NOT USED FOR PERSONAL USE.
- The Credit / “P” Card is used at any supplier that accepts VISA and has been approved for your access.
- Employees are required to supply their employee number to receive a card. This information is used to activate a newly delivered card. It is intended to protect the cardholder and CLOC from the use of a lost or stolen card.
- YOU are responsible for the security of your card and the transactions made with the card. The card is issued in your name and it is assumed that ANY purchases made with the card are made by you. A card used not in compliance with the guidelines or applicable agency policies is grounds for disciplinary actions.

USE OF CREDIT / PURCHASING CARD (“P” CARD):

- The cardholder may visit, call, fax, email or order via the internet a supplier to initiate a purchase. Request that the supplier charge the purchase to your credit/purchasing card number.
- Card Holders may use their card to make purchases which will be reimbursed by people receiving support. When they are reconciling their account they must indicate this on the statement. The cheque from the people receiving support is to be attached to the receipts for their statement.

PROHIBITED CREDIT / PURCHASING CARD USES:

- ANY personal use
- Any merchant, product or service normally considered to be inappropriate use of CLOC funds
- Items normally secured through purchasing request/requisition, blanket orders and negotiated contracts.
- Any single purchase over authorized card holder’s signing limit has an approved purchase requisition.

RESTRICTIONS:

- Each card has a monthly credit limit
- If purchase exceeds limit, contact your supervisor for approval
- No limit will be adjusted by the bank without contact with Director(s) and Manager, Finance & IT

RECONCILIATION AND PAYMENT

- CLOC pays invoices through preauthorized payments
- supervisor’s approval for the monthly purchases is required.



Community Living Oshawa/Clarington (CLOC)

- The Credit / “P” card program does not impact your personal credit rating. It carries corporate liability not personal.
- Employees are required to submit ALL original receipts for goods and services purchased to finance. If you initiate a purchase via phone or mail, request the supplier to include the receipt with the goods when product is shipped. This receipt is the only original document specifying whether or not sales tax has been paid against the purchase.
- For credit card forward the approved statement with receipts to finance department promptly after receipt of statement.

STATEMENT DISPUTE RESOLUTION

- Finance is responsible for statement dispute resolution, all employees are to cooperate.

LOST OR STOLEN CARDS

- **If your card is lost or stolen contact the bank customer service immediately and notification in writing is required to the Manager, Finance & IT or designate.**

FINANCE DEPARTMENT PROCEDURES

Credit Card / “P” cards are paid through pre-authorized bank withdrawals.

For “P” cards statements are e-mailed to the Manager, Finance & IT by the bank.

- Statement is signed by authorized personnel for payment.
- For the credit card issued to the Executive Director, the President/Treasurer of the Board of Directors verifies that all receipts attached and identifies for what purpose expense occurred. The President of the Board of Directors or the Treasurer of the Board of Directors reviews and initials the statement. Payment, however, is not delayed if final signature is not available prior to due date.
- Should the card holder loan the card for approved business purposes (eg. Ordering on line; registration; hotel reservation) a Use of Credit Card form is completed and signed prior to use. The card holder loaning the card is responsible for any charges to credit card number.
- Credit card statements are paid through bank transfer following the Payment Processing Policy (Direct On-Line Payment).

If any receipts are missing 5 days after the billing date, the card is suspended.

PROCUREMENT/PURCHASING DOCUMENTATION REQUIREMENTS

CLOC retains for a minimum of seven (7) years after the end of the contract all

Approvals, procurement, and contract management documentation, including, but not limited to:

- A copy of the procurement justification or business case;
- Information regarding vendor consultations, including any inquiries for information, undertaken in the development of the procurement justification or business case or request for qualifications, proposals, or tenders;
- Required documentation approvals are obtained by the appropriate authority;
- Copies of all requests for qualifications, quotations, proposals or tenders used to qualify and select the vendor;
- Conflict of interest declaration in accordance with Conflict of Interest Policy; is obtained by



successful vendor(s) as applicable

- Information regarding any issues that arose during the procurement process, and how the issues were resolved;
- Information regarding all vendor debriefings;
- Copies of all contract award notifications;
- Copies of all approved contracts including which goods, services, or consulting services are to be provided and paid;
- Information and approval by the appropriate delegation of authority regarding all uses of any exceptions to the CLOC's policy pertaining to the procurement of goods, services, and consulting services;
- Justification for the use of any exception, the recipient of the contract, the date of award and the total contract value;
- Information regarding all changes to the terms and conditions of the contract;
- Information regarding the management of the vendor, including how the vendor's performance was monitored and managed and where applicable, mechanisms used to transfer knowledge from the vendor to CLOC;
- Information regarding all disputes or vendor complaints regarding the procurement and the resolution of the disputes or vendor complaints;
- Evidence of receipt of deliverables; and
- Detailed invoices that allow the assessment of the appropriateness and reasonableness of amounts billed.

RESPONSIBILITY PURCHASE OF SERVICE CONTRACTS

Prior to the commencement of any contract CLOC ensures:

- A full range of potential arrangements is investigated before entering into a contract.
- Legal assistance or advice is obtained if necessary for any non-standard clauses.
- All contracts entered into by the CLOC are reviewed and approved by the Executive Director or designate.
- All contracts include contractor proof of liability insurance and WSIB coverage.
- Each contract is witnessed, dated and embossed with CLOC's corporate seal. CLOC also ensures that a completed copy of the final contract is made available to all other signatories.
- The original signed contract is kept in a secure place at CLOC main office.
- All Purchase of Service contracts must meet the CLOC Conflict of Interest guidelines.
- Prior to the completion of the contract, the Executive Director or designate reviews and plans for the renewal or tendering of the contract following the above procedure.
- At the minimum, each Purchase of Service contract entered into by CLOC, provides the following information:
 - the nature of the service
 - the financial obligations agreed to
 - the period of time that the contract covers
 - the invoicing procedure, or a payment schedule
 - a termination clause
 - a table of contents regarding the negotiated work plan



- authorization by Executive Director or designate on behalf of CLOC

PROCEDURE FOR TENDERING CONTRACTS

- Procedures for tendering contracts comply with ministry guidelines.
- Guideline for receiving quotes and/or tender bids:
 - For goods & services up to \$5,000 – 2 telephone quotes
 - \$5,000 - \$24,999 – two (2) written quotes
 - \$25,000 - \$99,000 – minimum 3 written quotes
 - over \$100,000 – closed tender process
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- Whenever the financial costs or benefits from a contract exceed ten thousand dollars (\$10,000) or, when the contract obligates for a period greater than three (3) years the contract is reviewed and approved by the Board of Directors. The exception is the replacement and renewal of leased/purchased vehicles which are approved by the Executive Director or designate.
- Whenever the financial costs or benefits from a contract are less than ten thousand dollars (\$10,000) or, when the contract does not obligate the organization for a period greater than three (3) years the contract is reviewed and approved by the Executive Director.
- The original signed contract is kept in a secure place at CLOC main office.
- Prior to the completion of the contract, the Executive Director or designate reviews and plans for the renewal or tendering of the contract following the above procedure.
- The contract clearly states that any additional expenses must be approved by CLOC prior to completion.

PROCEDURE PAYMENT OF CONTRACTS

- All invoices for contracts must contain sufficient detail to assess the appropriateness and reasonableness of amounts billed.
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- Signoff that services were delivered according to contract/agreement and satisfactory to stakeholders
- The costs do not exceed the agreed contract without sufficient reason and prior written approval from CLOC

Signed:
Terri Gray, Executive Director

Date:
March 2019