

NORTHCARE NETWORK

POLICY TITLE: Purchasing Policy	CATEGORY: Finance	
EFFECTIVE DATE: 1/29/14	BOARD APPROVAL DATE: 1/29/14	
REVIEW DATE: 3/6/24	REVISION(S) TO POLICY STATEMENT: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	OTHER REVISION(S): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
RESPONSIBLE PARTY: Chief Financial Officer	CEO APPROVAL DATE: 4/9/24 Megan Rooney, CEO	

APPLIES TO

NorthCare Network Personnel

POLICY

NorthCare Network Personnel will obtain proper approval and follow a consistent process for purchasing goods and services.

PURPOSE

To outline the process for purchases and purchase orders and to ensure accountability and compliance with Generally Accepted Accounting Principles (GAAP) and NorthCare Network's Code of Conduct.

DEFINITIONS

N/A

REFERENCES

- GAAP
- NorthCare Network Code of Conduct
- NorthCare Network Procurement Policy

HISTORY

REVISION DATE: 12/28/16, 10/25/17, 12/12/19, 2/25/20, 8/24/2, 3/6/24

REVIEW DATE: 12/3/14, 10/27/15, 8/31/16, 12/28/16, 10/25/17, 12/12/19, 2/25/20, 8/24/21, 10/25/22, 3/6/24

CEO APPROVAL DATE: 1/6/14, 12/3/14, 11/9/15, 9/6/16, 1/4/17, 11/6/17, 1/7/20, 2/26/20, 9/7/21, 11/1/22, 4/9/24

BOARD APPROVAL DATE: 1/29/14

PROCEDURES

- A. A purchase order (PO) or contract request initiates the purchasing cycle. Staff must complete a PO and route with the appropriate approval parameters before any purchasing is done. The purchase order file is located on the N: Drive /NorthCare Forms and Templates/PURCHASE ORDER.

- B. Blanket purchase orders may be approved for routine, predictable, and non-material purchases (Example: meeting expenses for regularly scheduled meetings) at the discretion of the CEO/CFO with joint approval.
- C. The authorization to complete a purchase will occur when the required approval(s) have been obtained. POs must be prepared in a timely manner to allow the agency to secure competitive prices and for the vendor to schedule deliveries.
- D. Required Approval:
 - 1. Chief Executive Officer and/or Chief Financial Officer must approve single item purchases up to \$5,000.
 - 2. NorthCare Network Governing Board must approve single item purchases over \$5,000.
- E. The CEO is to sign all service contract agreements.
- F. It is expected that corporate credit card holders will initiate a PO for all credit card purchases unless otherwise specified by CFO. Each month the corporate credit card holder will receive a statement listing all charges occurring in the prior month. The statement must be reconciled with original receipts, supporting documentation substantiating the purchases, and documentation of approval. The Accounting Segment (fund, department, object, and vendor) must be clearly identified for processing and the statement signed, by the individual card holder as reviewed and ready for payment.
 - a. Corporate credit card holders shall be limited to the following NorthCare Network positions:
 - i. CEO – Chief Executive Officer
 - ii. CIO – Chief Information Officer
 - iii. SAPT Director
 - iv. Executive Assistant to the CEO
 - b. The NorthCare Network Governing Board shall approve any changes to named staff holding corporate credit cards
 - c. Corporate credit card holders may assign authorization to other employees to complete a transaction with his or her card via signed authorization (Example: Hotel reservations) or via delegation with an approved PO.
 - i. In the event non-corporate card holding staff are authorized to complete a transaction with a corporate credit card, the corporate credit card holder shall indicate on the approved PO that he/she has delegated use of the card. Upon completion of the transaction, the staff member will return the approved PO and any confirmation materials to the card holder for inclusion with his/her monthly statement for payment processing.
- G. Travel Expense Vouchers should be utilized for all travel related purchases while on official travel status. Instructions for completing the NorthCare Network Travel

Expense Voucher are included on the voucher. Additional information related to Travel Expenditures is contained in the Travel Expense Policy.

- H. Petty Cash will not be offered, utilized, nor managed by NorthCare Network. All purchasing shall be conducted following the procedures contained in this Policy.
- I. NorthCare Network prohibits checks made out to cash or signing blank checks. All voided checks are marked as void and retained.
- J. Compliance to the requirements of this procedure will be monitored. Purchasing patterns will be periodically reviewed to ensure that the purchase order process is not misused. An example would be creating multiple purchase orders to the same vendor or vendors over a short period of time to purposefully remain below authorization levels. An individual cannot approve a purchase on behalf of him or herself. The CEO is the exception to this rule. Any action to circumvent the approval process or failure to comply with the requirements of this procedure may be considered misappropriation of funds, non-compliance with NorthCare Network policies and procedures, and/or falsification of NorthCare Network records.
- K. All single items purchased totaling \$5,000 or greater, including associated closing costs, fees, freight and installation, will be recorded on the Fixed Asset Inventory List. An annual audit will be conducted of fixed assets against the inventory list. Disposal of a fixed asset with an original cost of \$5,000 or more requires approval of the NorthCare Network Governing Board. Disposal of a fixed asset with an original cost under \$5,000 requires approval of the CEO. In all cases, the method of disposal will be documented in the inventory records.