

# WLPOA

## Budget and Purchasing Policy

### **Preface:**

The funds of the WLPOA are contributed by the members to be spent wisely for the stated purposes of the association. Great care must be taken to ensure the funds are used as designated and the received value for the association is always be equal to, or greater than, the amount expended.

### **Contracting and Purchasing Authority:**

The President is the contracting and purchasing officer for the Wolf Laurel Property Owners Association; all contracts will be signed by him, and he will authorize all purchases.

### **Depository for Records of Authorized Purchases:**

All records for authorized purchases shall be retained by the Treasurer for three years after payment (s) are made for the purchases. Each authorization and its documentation shall be submitted by the President or his designee as a request for payment to the vendor and will be attached to the payment record established by the Treasurer as substantiation for each payment.

### **Annual Budgets:**

The Treasurer will prepare and submit to the Board of Directors (BOD) an annual preliminary line-item budget in the same form and with the same income and expense accounts as the books and records of the association are kept. The Board will modify as it collectively finds appropriate and give final approval for the annual budget. The President will administer and control the budget within the Purchasing Policy of the association and is authorized to spend or cause to be spent up to the amount of each line item. Any amount in excess of the line item must be approved by the BOD prior to any funds being committed for that expenditure.

### **Authority to delegate purchasing authority:**

The president may delegate in writing to a BOD member or staff associate authority to gather info, purchase, and forward to the treasurer for payment to any vendor for any service or material for a specific budget line item except that he cannot delegate authority for the purchase of any single service or material item that exceeds \$2500 in cost.

### **Requests for Payment to Vendor:**

The President or his designee will submit to the Treasurer a Request for Payment to the vendor when the material or service has been received, it is accepted by him, and payment is

appropriate. The request can be on a form created for that purpose or can be much less formal for items costing less than \$2500. The information must include: a dated invoice, sales receipt, or other document with the name and address of the vendor, a description of the material or service with the amount due, the name of the President or his designee, the line item of the budget to which the purchase is charged and, to the degree required of the Purchasing Policy, the reason for selecting the vendor. If the purchase included any service, labor or subcontract which included labor, a copy of the vendor's insurance certificate for Liability with limits of \$1MM and Workman's Comprehensive Insurance with limits as prescribed by the State of NC must be attached. If the vendor states he does not have insurance, 5% of the amount of the contract should be retained, if agreed between the parties, or 5% of the amount of the payment to the vendor should be set aside on the books and records of the WLPOA for payment for insurance supplied by WLPOA.

### **Purchasing Policy:**

For services or items costing less than \$1000 for a single item - It is contemplated these items will be those normally available from several vendors or retail establishments. For items costing less than \$500, common sense as to value received will be used. For items costing more than \$500, the President or his designee must note a reason, using simple terms, for choosing the source such as "better value", "only source" in the request for payment to the vendor sent the treasurer or the information submitted when using the POA Debit Card.

For services or items costing more than \$1000 and less than \$2500 - Written Request for Proposals to two qualified vendors may be used to gather information and as the basis for purchasing services or materials. Verbal RFPs may be used; however, if the RFP is verbal, the vendor must submit a written proposal or there must appear a detailed description of the service or material provided on the receipt for purchase. The president or his designee must provide a simple written reason or reasons, in their own words such as "this vendor appeared to better understand our needs" or "I had more confidence this vendor would do a better job or provide a better product", for choosing the selected vendor when the request for payment to the vendor is sent to the treasurer.

For services or items costing more than \$2500 - When exact specifications can be easily created, competitive, written bids from at least two vendors will be required. The President will select the low or best bid; if not the low bid, the President will give a written reason for choosing the successful vendor.

When exact specifications cannot, in the sole opinion of the President, be created, written Requests for Proposals giving the general outline of the services or materials required will be issued to at least two vendors and a record copy of each provided the treasurer. Detailed responses from the vendor(s) will then be evaluated by the President and he will give his reason(s) for choosing the successful vendor in writing of sufficiency to explain his decision with the request for payment when it is forwarded to the treasurer.