



# Purchasing Policy

## Purpose:

The purpose of this policy is to ensure that the purchasing of goods and services by Beargrass Christian Church is conducted in a manner that supports the church's mission, adheres to its budget, and aligns with principles of fiscal responsibility and transparency.

## 1. General Principles

- **Mission Alignment:** All purchases must align with the congregation's mission and goals.
- **Budget Compliance:** Purchases must be made within the approved budget and with consideration to available funding.
- **Transparency & Accountability:** The purchasing process should be open, fair, and provide a clear trail of documentation.
- **Cost-Effectiveness:** Purchases should seek to balance quality, need, and price to ensure resources are being used effectively. The church's tax exemption should be utilized for all eligible expenditures.

## 2. Approval Process

- **Threshold for Approval:**
  - Purchases (or collective purchases for a particular project) under \$500 may be made by staff and ministry chairs **within their approved budget** without additional approval.
  - Purchases (or collective purchases for a particular project) between \$500 and \$2,000 which are **within the approved budget** require:
    - a purchase request

- two quotes from different vendors if over \$1,000 unless the vendor is a sole provider
- approval from the Senior Minister and Director of Finance and Operations.
- Purchases (or collective purchases for a particular project) over \$2,000 require:
  - a purchase request
  - two quotes from different vendors unless the vendor is a sole provider
  - approval from the Treasurer, in addition to the Senior Minister and Director of Finance and Operations.

- **Pre-Approval for Non-Budgeted Items:**

- Any purchase that is **not included in the approved budget** must receive prior approval from the Senior Minister and Treasurer before proceeding; those purchases over \$10,000 must obtain Finance Committee approval.

### 3. Vendor Selection

- **Competitive Bidding:**

- For purchases over \$1,000, at least two written quotes from different vendors should be obtained to ensure competitive pricing.
- A formal bidding process may be used for significant or complex purchases per guidance/recommendation from the finance committee

- **Ethical Considerations:**

- Vendors will be selected based on quality, cost, reliability, and reputation. Preference will be given to vendors who demonstrate alignment with the organization's values, including diversity, equity, and social responsibility.

### 4. Procurement Documentation

- **Receipts & Invoices:**

- All purchases must be accompanied by receipts or invoices for proper documentation and audit trails. This documentation must be provided to the Director of Finance and Operations within a week of purchase.

- **Purchase Request Form:**

- As described in the Approval Process above, a Purchase Request Form will be submitted for all projects with spend exceeding \$1,000. The form (Exhibit A) will allow Beargrass to maintain a record of the project description, corresponding budget information, and approvals necessary to move forward with the expenditure.

## 5. Payment Terms & Methods

### • Payment Methods:

- The preferred method of payment will be via check or electronic transfer. Credit card usage should be limited and in compliance with the Credit Card Policy.

### • Sales Tax Exemption:

- Cardholders should make every effort to ensure that purchases do not include sales tax. As a designated 501(c)3 organization, Beargrass Christian Church is not required to pay the state sales tax on purchases made on behalf of the church, which represents a substantial impact on the church budget over the course of the year. Most stores require a printed or digital tax exemption form presented at the time of checkout in order to remove the sales tax from the purchase (many online stores have a page on their website with specific instructions on how to make a tax-exempt purchase). Tax exemption forms are available in the church office, and extra copies may be printed and kept securely with the purchaser in the event that one is needed when making quick or unanticipated expenses. Please note it is unlawful to use any church tax exempt form or account to make personal purchases of any kind.

### • Timely Payments:

- Payments to vendors should be made promptly according to agreed terms (generally Net 30), but not before the goods or services have been received, reviewed or completed unless required in certain circumstances.

## 6. Ethical and Responsible Use of Resources

- All staff members and volunteers are expected to act responsibly in managing the Church's resources, ensuring that purchases are necessary and providing value to the mission and goals of Beargrass.

## 7. Review & Monitoring

- The Director of Finance and Operations, with oversight from the Treasurer, will review purchasing practices regularly to ensure compliance with this policy and recommend adjustments as needed to maintain effective budgeting and resource allocation.

**Effective Date:**

**Approved by:**

**Reviewed on:**