

ASBURY UNITED METHODIST CHURCH

Purchasing Policy

Rationale

The Purchasing Policy serves the purpose of providing a means for funds to flow in and out of the church in a responsible manner with receipts and appropriate paperwork of how and why the funds were used.

Principles

To help the church practice good stewardship, to act responsibly with allotted funds, to structure the flow of funds so that there is accurate records and accountability for the church as a whole, individual members, ministries, and committees these principles are offered as a foundation for purchasing items and services for the church and the ministries of the church.

- To provide a procedure and tool for staff and committees to monitor their expenses and income.
- To provide proper paperwork so that accurate auditable records are kept. To keep the church functioning within the General budget.
- To allow for better communication between Finance Committee, other committees, individuals, and ministries.
- To provide an effective means of receiving reimbursements.

Categories

- Purchasing Procedures for purchases on a Vender Account
- Purchasing with the Church Credit Card
- Reimbursement for a purchase using Personal Checks, Credit/Debit Cards, or Cash.
- Conducting Bids for purchases \$1,000 or higher
- Routine Operating Expenditures

Policies

1. To Purchase on a Vendor Account the Church has in place
(This includes "blanket" orders and vendor credit cards.)
 - a. Fill out a Request for Payment and Reimbursement Form at least one week in advance of purchase. The Request for Payment and Reimbursement Form is located online <identify website URL> and in the church office. There is also a copy of form at the end of this document.
 - b. Make sure that the requisition has the approval of the Committee/Ministry chairperson.
 - c. Email the Financial Administrator to check on available funds and to verify purchase. A Purchase Order number (P.O. #) will be issued.
 - d. Place your order AFTER receiving the P.O. # and approval.
 - e. Turn in the Request for Payment and Reimbursement Form and all purchase documents, such as packing slips, delivery receipts; register receipts, etc., to the Financial Administrator as soon as possible.
 - f. The invoices for this order will not be paid without the appropriate paperwork. The purchaser must make sure that all the appropriate paperwork is delivered in a timely manner. Attempts will be made by the Church Financial Administrator to contact the purchaser to make sure the appropriate paperwork is received.

2. To Purchase using the Church Credit Card

- a. If not assigned a church credit card, arrange in advance to check out a church credit card from one of the authorized persons.
- b. Fill out a purchase Request for Payment and Reimbursement Form at least one week in advance of purchase, noting on the Request that the church credit card will be used. The Request for Payment and Reimbursement Form is located online <identify website URL> and in the church office. There is also a copy of form at the end of this document.
- c. Make sure that the requisition has the approval of the Committee/Ministry Chairperson.
- d. Email the Church Financial Administrator to check on available funds and to verify purchase. A Purchase Order number (P.O. #) will be issued.
- e. Place your order after receiving the P.O. # and approval.
- f. Turn in the Request for Payment and Reimbursement Form and all purchase documents, such as packing slips, delivery receipts, register receipts, etc., to the Financial Administrator as soon as possible.
- g. Since this purchase was made with a credit card there will not be an invoice to pay, but the appropriate paperwork must be received by the Financial Administrator. The purchaser must make sure that all the appropriate paperwork is delivered in a timely manner. Attempts will be made by the Church Financial Administrator to the purchaser to make sure the appropriate paperwork is received.

3. To receive reimbursement from using Personal Checks, Credit/Debit Cards, or Cash

- a. Committee/Ministry Chairperson must approve item before it can be purchased.
- b. The church is a Non-Profit organization and therefore does not have to pay taxes on purchases when the appropriate paperwork is done beforehand. The purchaser must get a tax exempt sheet from the office so that taxes will not be charged to the church. The church will email the certificate to the purchaser upon request.
- c. Purchase the item and ensure no taxes are paid.
- d. Fill out the Request for Payment and Reimbursement Form. Make sure to attach all purchase documents, such as packing slips, delivery receipts, register receipts, etc., and turn in the form to the Financial Administrator as soon as possible. The Request for Payment and Reimbursement Form is located online <identify website URL> and in the church office. There is also a copy of form at the end of this document.
- e. When all the appropriate paperwork is received, the Financial Administrator will cut a reimbursement check for the item(s) purchased. Any expense related to taxes the church would otherwise not be responsible for will not be included in the reimbursement.
- f. Again, please try to keep in mind that reimbursement purchases are usually going to cost the church more money because of the added taxes. So please use this method only when truly necessary. As communication and pre-planning of purchases increase in each department, there will be less need for last minute personal purchases.
- g. Exception to sales tax – When the total purchase price through discounts and other offers is less than the amount would be without sales tax.
 - i. Example – The military discount at a vendor is 10% but the sales tax is 8.25%; the discount percentage is greater than the sales tax.

4. For purchases of \$3,000 to \$4,999.99

- a. There must be solicitation of quotes from at least three vendors. The purchaser should show evidence of the three vendors quote and details of the service or product. Award decisions should be made to

the vendor representing the best overall value to Asbury.

- i. A vendor who chooses to not provide a quote due to the size of the job, time constraints or other relevant factors may be considered a “No Quote” and may constitute as one of the three required quotes. However, the purchaser should make reasonable efforts to obtain quotes from other vendors.
- b. Sole source - If there is no ability to solicit multiple quotes, the committee or ministry must demonstrate that the purchase from a particular vendor is sufficiently justified as a sole source. Sole source means that a single vendor is uniquely qualified to meet the committee/ministry’s objective. To be considered a sole source and therefore exempt from the bid process, one of the following conditions must be met:
 - i. The actual product or service needed is the only one that will meet the committee/ministry’s objective and it can only be purchased from one source (manufacturer or distributor).
 - ii. The product or service must match or be compatible with current equipment or services.
 - iii. The product needed is specifically required for use in conjunction with a current contract or service.
 - iv. An unusual or compelling urgency exists.
- c. If the need meets one of the above criteria, the committee or ministry can negotiate with the vendor directly.
- d. After conducting a quote or justifying there is no ability to solicit multiple quotes, the purchaser must follow one of the purchasing procedures listed above in 1-6 for purchases on a Vender Account, the Church Credit Card, Department Debit Card, accounts with Sam’s Card, Kroger Card, and Food City Card, Cash, or Personal Checks/Credit/Debit Cards.

5. For purchases of \$5,000.00 or higher,

- a. There must be solicitation of bids from at least three vendors. The purchaser must show evidence of the three vendors bid and details of the service or product. Award decisions should be made to the vendor representing the best overall value to Asbury.
- b. Sole source - If there is no ability to solicit multiple bids, the committee or ministry must demonstrate that the purchase from a particular vendor is sufficiently justified as a sole source. Sole source means that a single vendor is uniquely qualified to meet the committee/ministry’s objective. To be considered a sole source and therefore exempt from the bid process, one of the following conditions must be met:
 - i. The actual product or service needed is the only one that will meet the committee/ministry’s objective and it can only be purchased from one source (manufacturer or distributor).
 - ii. The product or service must match or be compatible with current equipment or services.
 - iii. The product needed is specifically required for use in conjunction with a current contract or service.
 - iv. An unusual or compelling urgency exists.
- c. If the need meets one of the above criteria, the committee or ministry can negotiate with the vendor directly.
- d. After conducting a bid or justifying there is no ability to solicit multiple bids, the purchaser must follow one of the purchasing procedures listed above in 1-6 for purchases on a Vender Account, the Church Credit Card, Department Debit Card, accounts with Sam’s Card, Kroger Card, and Food City Card, Cash, or Personal Checks/Credit/Debit Cards.

6. Routine Operating Expenditures

The finance committee will review the routine operating expenditures annually during the budget creation. The Financial Administrator is authorized to pay routine operating expenditures. The Finance Committee will review the routine operating expenditures in relation to the budgeted funds monthly during their meeting.

ASBURY UNITED METHODIST CHURCH
Request for Payment or Reimbursement Form

Please fill-in this form if one of the following applies:

A. You order or purchase an item and it is billed to Asbury United Methodist Church. Attach the receipt(s) or order acknowledgement to the form and check **PAYMENT**.

B. You paid for an item and request reimbursement. You must attach a receipt to the form and check **REIMBURSEMENT**.

C. You need an advance check to pay for an item to be purchased. Check **ADVANCE** and after the purchase turn-in a receipt to be attached to the form.

- Purchase Order # _____ (This number is given by Church Financial Administrator)
- Request (Please check one):

PAYMENT

REIMBURSEMENT

ADVANCE

- How did or will you pay for item(s) (Please check one):

Asbury Check

Asbury Credit Card

Personal Check

Cash

Personal Credit/Debit

Other - If checked other, please explain _____

Date of Purchase: _____ Amount: \$ _____

Where purchased: _____

Description of Purchase: _____

Description of Purchase: _____

- Approval of Committee/Ministry Chairperson: _____

- Name (Please Print): _____

- Signature: _____