

Participation House Support Services – London and Area
Finance and Administration Policy Manual:
Section 1: Finance

SECTION: Finance and Administration	POLICY DESCRIPTION: Purchasing
POLICY NUMBER: 4	EFFECTIVE DATE: December 2011
RETIRED:	
SCOPE: All employees involved with Participation House Support Services – London an Area (hereafter referred to as PHSS).	
PURPOSE: To establish and maintain internal control over the acquisitions of goods and services.	
POLICY: The practice for purchasing goods and services by PHSS is in accordance with ministry guidelines, applicable Broader Public Sector (BPS) directives, and sound financial practices, recorded within the financial statements using Generally Accepted Accounting Principles. PHSS has adopted the supply chain code of Ethics (CODE) Applicable BPS Directives and effective dates <ul style="list-style-type: none">- BPS Expense Directive as of April 1, 2011- BPS Perquisites Directive as of August 2, 2011- BPS Procurement Directive applies as of January 1, 2012	

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PROCEDURE NUMBER: 4	EFFECTIVE DATE: December 2011
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PURPOSE: To establish and maintain internal control over the acquisitions of goods and services.	
PROCEDURE: An approved purchase order is required for all purchases. All purchases must support PHSS business objectives. Regular monthly billings and Petty cash purchases less than \$100 are excluded from the purchase order. Purchase orders are matched to invoices, packing slips and reviewed before payment is made. Any exceptions to the rules must be approved by the COO or designate (when the item is over \$5,000, the Executive Director must also sign; when over \$25,000 the Treasurer must also sign). PHSS has a list of preferential vendors with whom a good relationship has been established over the years. All vendors must provide proof of insurance before performing service on PHSS property. Historically, based on quality purpose and on-going service relationships, preference may be given over cheaper quotes submitted; however, the rationale for the decision must be documented.	
<p>1. Guidelines for proper payment authorization</p> <p>a) Requisition is to include:</p> <ul style="list-style-type: none"> • Date - Date of request, • Completed by- Name of the person completing the form, • Payable to - The name of the vendor, • Description - Reason for payment cross-referenced to supporting details or documents and, • Approved by - Requires authorized signature – Executive Director; COO; Senior Coordinator; Controller 	

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- **Special delivery instructions** - If the cheque is not to be directly routed to the payee then the appropriate routing instruction needs to be reported. Cheque to be provided to someone other than person authorizing PO.
 - **Date required** – record date cheque is required if different from regular cheque run attached to the requisition.
- b) Cheque Authorization is to include:
- **Coding section** - The account code or codes to be debited and the corresponding amounts with taxes (HST/GST) identified separately
 - **Coding section** – The account code, portion of HST/GST to be refunded (e.g. 50% Federal portion of HST and 83% Provincial portion of HST)
 - **Amount** – Total amount of the cheque to be issued.
3. Person to whom the cheque is to be written (i.e. Cheque Requisition) cannot approve payment.
 4. All purchases are within the approved budget and must support business objectives.
 5. A voucher must be completed and signed for all petty cash transactions. Petty cash transaction is limited to \$100.00.
 6. For goods & services the requirement for approval with a requisition is as follows:
 - Under \$500 approved by Senior Coordinator,
 - \$500 - \$5,000 requires 3 phone quotes were practical and are approved by COO.
 - \$5,000 - \$25,000 require minimum 2 written quotes, preferred 3 written vendor quotes and are approved by the COO or Executive Director
 - \$5,000 - \$25,000 where quotations are impractical, the quote requirement may be waived by the COO and Executive Director
 - Over \$25,000 require 3 quotes and are approved by the COO or Executive Director
 - Over \$25,000 where quotations are impractical, the quote requirement may be waived by the COO and must be approved by the Executive Director and Treasurer.

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7. For Furnishings and Equipment the requirement for quotes is as follows:

- \$500 approved by senior coordinator
- \$500 - \$5,000 requires 3 telephone quotes and are approved by the COO
- Items over \$5,000 require 3 written vendor quotes and are approved by the COO or Executive Director
- Where quotations are impractical the requirement may be waived by the COO or Executive Director

8. For Meals

- If staff are away with consumers or at a training session for over 24 hours, there is a maximum \$28.00 allowance for meals for each day.
- Otherwise an \$8.00 limit per supper meal in a full service, sit down restaurant and a \$5.00 limit per meal for all other meals and fast food.

9. For Hospitality

- The provision of food, beverage, accommodation, transportation and other amenities paid to those outside of the organization must be preapproved by the COO or Executive Director
- Functions involving only persons within the organization are not considered hospitality and are not reimbursed except as noted in the meal reimbursement policy
- Exceptions to allow hospitality costs to be reimbursed may be made at the discretion of the COO and Executive Director

10. For Travel

- Travel does not include a person's regular commute to work and all travel must be preapproved
- The most practical or economical method of travel and accommodation should be chosen
- Reimbursement for the use of a personal vehicle is at set rates. The current rate is \$0.40/km
- Out of town travel must be approved by the COO or Executive Director

11. For Alcohol

- Alcohol cannot be claimed and will not be reimbursed
- Exceptions to allow alcohol costs as part of hospitality events may be made at the discretion of the COO and Executive Director.

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12. For Consultants

- See policy on contracts (Purchase of Service)

13. For Perquisites

- Perquisites are “perks” and privileges not related to business requirements and include club memberships, seasons tickets, clothing allowances, etc. provided to an individual and are not provided or reimbursed
- Exceptions to perquisites may be allowable in limited and exceptional circumstances when there is a demonstrated business-related requirement as approved at the discretion of the COO and Executive Director

14. In no instance, shall a person authorized to approve a purchase, approve a purchase for themselves or that they have requested.

15. It is the responsibility of the Party (refer to Scope) involved in the purchase and reimbursement 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.

16. The COO approves the requisition. Special authorization is required if the amount of the requisition is over a certain limit or an unbudgeted expense. Only individuals with the appropriate level of authority are able to approve the cheque requisition.

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SECTION: Finance and Administration	POLICY DESCRIPTION: Contracts (Purchase of Service)
POLICY NUMBER: 5	EFFECTIVE DATE: December 2011
RETIRED:	
SCOPE: All employees of Participation House Support Services – London an Area (hereafter referred to as PHSS) who has the authority to enter into contracts.	
PURPOSE: To provide guidelines for entering into contracts.	
POLICY: A contract is an agreement enforced by law that binds two or more parties to do something. Each contract entered into by PHSS maximizes the benefits of that agreement while at the same time protects the interests of PHSS. All contracts are signed by authorized employees and adhere to ministry financial guidelines, and collective agreements. A consultant is defined as a professional, providing professional or expert services/advice in a particular area for a particular project and a limited time frame.	

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PURPOSE: To provide guidelines for entering into contracts.	
PROCEDURE: 1. Responsibility a) Prior to the commencement of any contract by PHSS: Contracts are entered into when there is an advantage to PHSS by doing so. A full range of potential arrangements is investigated before entering into an exclusive contract. All contracts in excess of \$10,000 are preformed through a competitive process. Exceptions to the competitive process may be made by the COO or Executive Director. Any exceptions for items over \$25,000 must also be approved by the Treasurer. Legal assistance or advice is obtained if necessary for any non-standard clauses. b) Contracts entered into by PHSS: All contracts entered into by PHSS are reviewed and approved by the Executive Director or designate. Special authorization is required if the amount of the contract is over \$5,000 or an unbudgeted expense. Only individuals with the appropriate level of authority can approve and sign a contract. As a best practice, the contractor must provide proof of liability insurance and WSIB coverage where appropriate. Each contract is witnessed, dated and embossed with PHSS's corporate seal if required. PHSS also ensures that a completed copy of the final contract is made available	

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to all other signatories.

The original signed contract is kept in a secure place at PHSS's finance department.

c) Purchase of Service contracts

All purchase of service contracts must meet the PHSS conflict of interest guidelines.

All services rendered must have a clear reference of terms and expense reimbursements must be explicit to the terms of the contract and fall within the purchasing policies. (e.g. Hospitality)

Some months 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 the PHSS shall provide 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 COO on behalf of PHSS.

d) Contracts over \$100,000

Contracts in excess of \$100,000 will be tendered through a request for proposal process with a minimum 15 days prior to the closing date. Where possible the tender request will be posted electronically.

Evaluation criteria will be generated prior to the issuing the tender request.

The rationale for choosing the vendor must be documented. Historically, the choice is based on the preference of greatest quality for the lowest cost and on-going relationships.

Exceptions to the competitive bid process must be documented at the discretion of the Executive Director, COO, and Treasurer.

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e) Consulting Services

All consultants must have a pre-approved signed contract with explicit terms of reference for the tasks and/or project to be performed and the expected timeframe for completion.

Hospitality items for consultants are not reimbursed

No lobbyist consultants will be hired by PHSS