

TITLE: Large and Emergency Purchases

APPROVED DATE: February 27, 2023

EFFECTIVE DATE: February 27, 2023

REVIEW DATE: February 27, 2028

**Policy:**

This policy is to establish a standardized procedure for requesting, and approval of large and emergency, non-budgeted purchases. To the extent possible the Executive Board will budget for all operational expenses as part of the annual budget process (see Policy and Procedure #2023-12). For those large and emergency purchases that are not budgeted and are estimated to cost more than \$500 for a large purchase or \$1,000 for an emergency purchase the procedure is as follows below:

**Definitions:**

- **Large purchase:** A purchase that was not approved as part of the regular budget process that is not emergency in nature. Items such as new sound equipment, or new musical instruments fall into this category
- **Emergency purchase:** In most cases an emergency purchase will be for a repair or replacement of something that was damaged. Items such as roof repairs, plumbing repairs, replacement of electronics damaged by lightning strikes, etc. fall into this category

**Procedure:**

1. For large purchases over \$500 that were not budgeted but are not of an emergency nature:
  - a. The purchase requestor will provide Treasurer with a written request justifying the need for the purchase along with at least three quotes
  - b. The Treasurer will review the operating and restricted funds budgets to determine if a funding source is available
  - c. The Treasurer will forward the request, including specific account(s) the funds may be available, to the Executive Board via email for their review
  - d. The Executive Board, by consensus vote via email, will either approve or deny the request
  - e. If the Executive Board approves the purchase, the Treasurer will inform the requestor and work with them to ensure the Church gets the best value for the purchase (i.e. sales tax savings, quotes, and/or church discounts, etc.)

- f. If funds are not identified, the Executive Board may instruct the Treasurer to identify a funding source or may choose to delay the purchase. If funding sources are not available, the Treasurer will inform the requestor to resubmit the request as part of the next year's budget
2. For emergency purchases over \$1,000:
- a. If a repair or replacement is required to minimize any further damage as a result of the initial damage, the Church Administrator is authorized to have the repair done as quickly as possible
  - b. The Church Administrator will notify the Executive Board as soon as practical regarding the damage, the repairs needed, and the estimated cost, if available
  - c. The Church Administrator will attempt to get more than one quote for the repair(s) but if time is of the essence cost will not be the only factor in the decision making process
  - d. In the event that the damaged area can be isolated and no further damage will result, the Church Administrator will ensure the affected area is closed off and will attempt to get multiple quotes for the repairs
  - e. If more than one quote is obtained, the Church Administrator will review the quotes to ensure they are similar in materials, labor, and timeliness. Using the best quote, the Church Administrator will authorize the repairs to be started and will notify the Executive Board via email
  - f. If only one quote can be obtained, the Church Administrator will notify the Executive Board via email of the one quote and seek approval to proceed
  - g. The Executive Board will review the one quote received and, by majority consensus, either approve the repairs or instruct the Church Administrator to attempt to obtain additional quotes
  - h. If additional quotes are required, the Church Administrator will continue the process starting over at per-in d.
  - i. In extreme cases where damage is significant and funds may not be available or sections of the Church may not be usable, the Executive Board chairman will call an emergency meeting of the Executive Board, as soon as practical, to discuss possible solutions