

CAROLINA FAMILY HEALTH CENTERS, INC.

POLICY

TITLE: FIN-104 Purchasing

EFFECTIVE DATE: December 2003

SECTION: Finance

REFERENCE POLICY: FIN-104.01 Purchasing

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Finance CIT

REVIEWED: 12/09, 05/12, 08/13, 11/14, 01/15, 09/15, 03/16, 07/16, 11/16, 04/17, 07/17, 09/18, 07/26/2021, 09/28/2021, 03/22/2022, 09/24/2024, 11/25/2025

I. PURPOSE

The purpose of this policy is to establish guidelines for the procurement of goods and services that follow federal and state guidelines and ensure control of the organizational spending.

II. POLICY

It is the policy of CFHC, Inc. to ensure that adequate controls are placed on the amount and type of goods and services purchased. Procurement actions paid for in whole or in part under the Federal award:

- Are in compliance with applicable Federal statutes, regulations, and the terms and conditions of the Federal award.
- Conform to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements. This includes ensuring all procurement costs directly attributable to the Federal award are allowable, reasonable, and allocable, consistent with Federal Cost Principles.

No one is authorized to obligate company funds without a properly executed Purchase Order (PO), Standard Items Order Form, Blanket Purchase Order (BPO), Conference Travel Request Form, or Contract. Refer to *FIN-134.01 Business Travel*, *RM-503 Contract Management*, or *FIN-104.01 Purchasing* for forms.

The Finance Department maintains an approved vendor list. Vendors are cleared through the debarment verification. Refer to *RM-504 Verification of Excluded Individuals & Entities*.

A *BPO* may be prepared on an annual basis when numerous orders for a specific product or a group of products or services are needed over a length of time from the same vendor. The *BPO* is approved by the Chief Executive Officer (CEO) or his/her designee and must be renewed at the beginning of each fiscal year. Before approval, The Chief Financial Officer verifies amounts are within the budget and the chart of account being used matches the budget.

Since the largest category for recurring purchases is pharmaceutical supplies, the pharmacist manager's signature on invoice suffices as approved. *BPO* for pharmaceutical supplier requires Chief of Pharmacy signature.

Purchases for personal items are not allowed except for specific circumstances as detailed in the Procedure. Refer to *FIN-104.01 Purchasing* for personal items.

Purchases of equipment, supplies, and services up to \$15,000, unless an exception by other provisions of this policy, are considered procurement by micro-purchase and do not require bids.

Purchases between \$15,001 and \$350,000 are considered small purchases and do not require competitive bids, although verbal or written bids and documentation are encouraged.

A cost or price analysis is performed in connection with every procurement action paid for in whole or in part by the Federal award in excess of the simplified acquisition threshold of \$350,000. Full and open competition bids are publicly solicited, and a firm fixed price contract is awarded by the Board of Directors. Awards are normally made to the lowest responsible bidder when the quality of the product is not compromised, the delivery of such purchases is not delayed, and the operation of the organization is not compromised. Procurement by noncompetitive proposals is allowable only when:

1. The item is available only from a single source;
2. A public exigency or emergency will not permit a delay resulting from a competitive bidding process;
3. The non-competitive proposal is specifically authorized by HRSA; or
4. Competition is determined to be inadequate after soliciting a number of sources.

All *POs* must be appropriately approved. Purchasing and reimbursement approval authority is designated as follows:

- a. \$250 Supervisors
- b. \$500 Directors and Managers
- c. \$1,000 Chiefs of Staff other than the CEO
- d. Greater than \$1,000 CEO

Procurement records must be maintained as described in *HIPAA-105.01 Record Retention/Destruction*.