

EASTWOOD COMMUNITY BAPTIST CHURCH (ECBC)- PURCHASING POLICY AND PROCEDURES

At ECBC we recognise that all we have belongs to God and has been provided by God for the work of his kingdom. We are called by God to be faithful stewards of his provision, demonstrating kingdom values and ethics. The purpose of this policy is to outline how ECBC and its appointed staff and volunteers use the financial resources of the church for purchasing. This should be taken into account when appointing staff and volunteers to roles indicated in this policy.

This document outlines the process and principles to be used when purchasing goods/services for Eastwood Community Baptist Church. This document applies to all ECBC staff and members.

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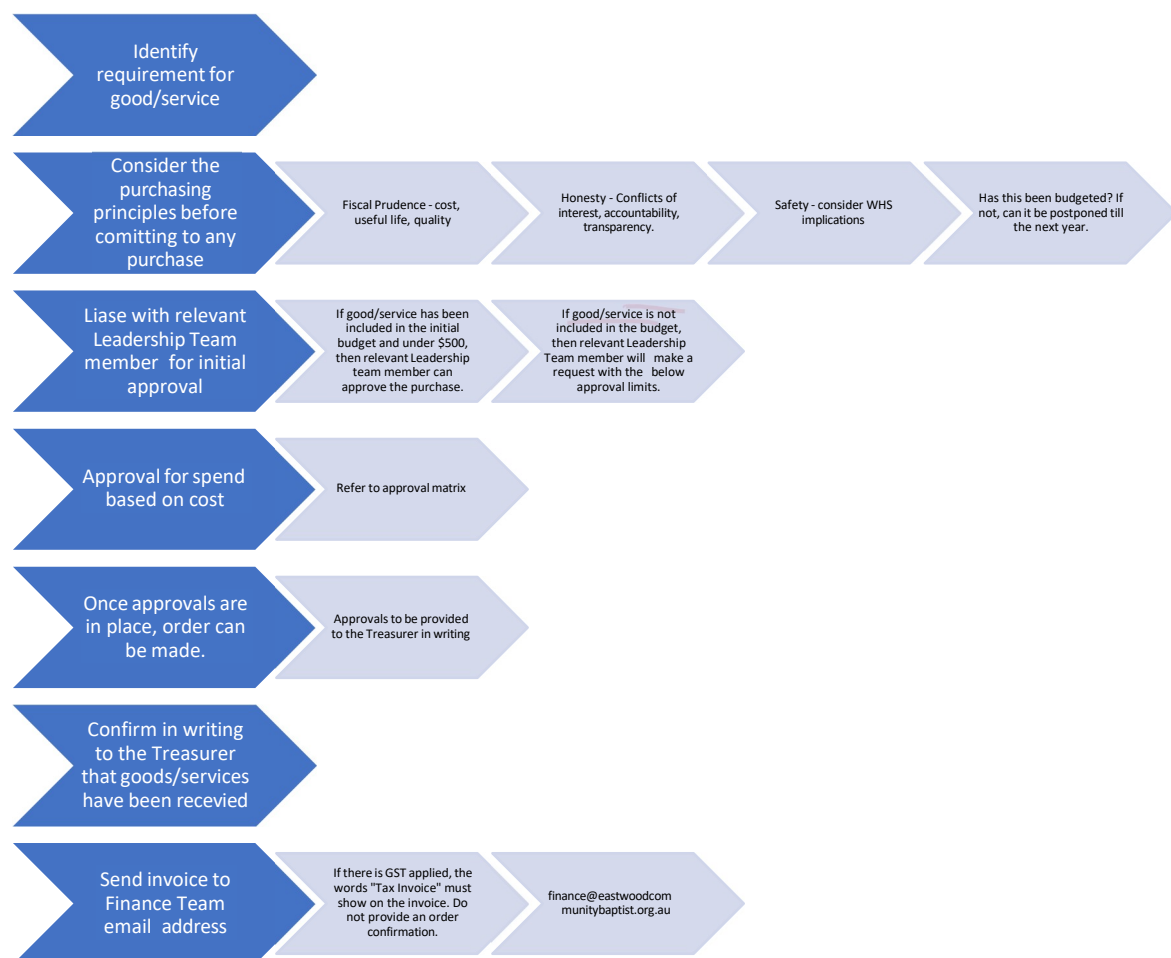
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Process for purchasing goods/services for ECBC

Budgeted and Unbudgeted Expenditure

Prior to the beginning of the financial year (Jan-Dec), the leadership team prepare budgets for their areas of ministry. These budgets are presented to the church for approval at the end of the year. It is highly recommended that the leadership team include all intended spending in this budget as out of budget spending will be kept to a minimum and encouraged to be postponed till the following year.

Please note the below process does not apply to urgent/emergency expenditure, recurring expenditure, purchases which require a tendering process and purchases that require signed contracts.



Approval Matrix

This approval matrix is for non-recurring expenditure. Where expenditure is urgent, please refer to the paragraph Urgent/Emergency expenditure.

Please note, where the purchaser is the same individual as the approver, an independent individual must approve the purchase (being the Treasurer or one Elder).

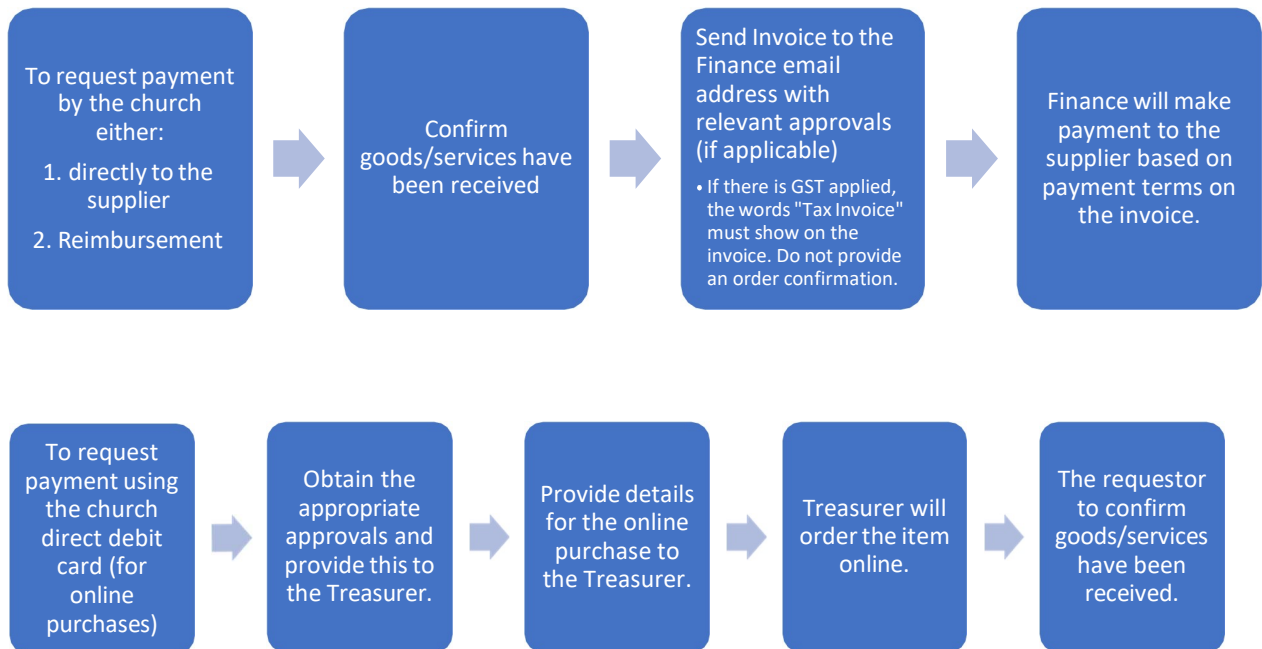
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| Budgeted < \$1,000 | Ministry Leader | If position vacant then Treasurer |
| Budgeted \$1,000 - \$5,000 | Ministry Leader and Treasurer | |
| Budgeted \$5,000 - \$10,000 | Treasurer and One Elder | Min Two Quotations |
| Budgeted \$10,000 - \$150,000 | Elder Team and Treasurer | Min Three Quotations |
| Budgeted > \$150,000 | Elders Team, Project Team and Treasurer | Tender Process and Approval at Members Meeting |

| Expenditure | Authority | Procedures |
|-------------------------------|--|--|
| Unbudgeted < \$1,000 | Treasurer; Min Two quotations | |
| Unbudgeted \$1,000 - \$5,000 | Treasurer and One Elder; Min Two Quotations | To be noted at the next church meeting |
| Unbudgeted \$5,000 - \$50,000 | Elders Team and Treasurer; Min Three Quotations | To be noted at the next Church meeting. |
| Unbudgeted > \$50,000 | Elders Team and Approval at Members Meeting (before commencement of project) | Tender Process and Approval at Members Meeting (after completion of project) |

Process for making payment for goods/services for ECBC

Payments can be made:

- Directly by the church to the supplier
- By the requestor and then seek reimbursement from the church
- By the church direct debit card



ECBC Purchasing Principles

Before any purchase is made and committed to, the below principles need to be considered.

1. **Fiscal prudence** - Purchasers must consider the necessity, cost, period of service to be used and quality of the purchase.
 - a. **Necessity** - Is this purchase essential, is it nice to have, by purchasing this item will it improve a process and does the process need to be improved?
 - b. **Cost** - Can we achieve a similar result with a lower cost item? Are we being good stewards of our funds by purchasing this item? Is there sufficient cash flow for this purchase?
 - c. **Period of service** - Will this item be useful and used for a reasonable period of time? Will it require regular replacement? Will it be useful for many ministries or only services one purpose?
 - d. **Quality** – is this value for money, does it need to be replaced regularly/high maintenance costs?
2. **Honesty** - Purchasers must deal fairly, impartially and consistently with all suppliers ensuring transactions are transparent, accountable and ethical. Purchasers must identify and appropriately manage any actual, apparent or perceived conflicts of interests.
3. **Safety** – Purchasers must consider the safety implications of goods/services
 - a. Accessibility for children, elderly, people with disability. Eg: high stools, heavy items.

- b. Risk assessment – does this require safe storage, does this item create any hazards within the building? Eg: flammable liquids, corrosive fluids, toxic substances.
 - c. Be consistent with ECBC's Work Health and Safety policy.
- 4. Risk management - Purchasers must minimise exposure to any potential damage or negative impact to ECBC's standing in the community. This includes ethical considerations, social responsibility, safe space policy for children and safety and compliance related risks.
- 5. Legality - Purchasers must ensure that acquisitions are made consistently with:
 - a. all applicable state and federal laws and regulations; and
 - b. all applicable ECBC's policies and procedures.
- 6. Budgeted/Unbudgeted expenditure – Purchasers should check if this is planned expenditure and included in the budget. If not, the assessment of whether this expenditure should be postponed to the following year and then be included in the budget for church member approval. This emphasizes the importance of ministry leaders accurately budgeting for their spend for the year and liaising with relevant team members for the needs of the ministry.

Expectations of Purchasers

- 1. Purchasers must behave fairly, honestly and professionally and, in particular complying with the purchasing principles in this policy
- 2. Goods and services purchased must be acquired for ECBC use only. Where goods/services owned by ECBC are borrowed by church members and taken offsite, these must be approved by the relevant Leadership Team member and the treasurer notified.
- 3. Documents relating to acquisitions must be provided to the Treasurer and recorded and securely retained for 7 years. These documents may include:
 - a. Invoices and quotes (where GST is paid, a document containing the words "Tax invoice" and ABN's must be provided. This is in line with ATO requirements. Order confirmations do not suffice.
 - b. Relevant approvals
 - c. Tender documents
 - i. approaches to the market and the responses received;
 - ii. evaluations and assessment of tenders;
 - iii. approvals and selection of tenders
- 4. Purchasers must not:
 - a. split transactions or orders into components or parts to circumvent procedures or delegation approval levels;
 - b. understate the value or risk attached to the procurement activity to circumvent procedures;
 - c. collude with suppliers or prospective suppliers;

- d. divulge the bid made by a supplier to other prospective suppliers before a contract is awarded with the intent of securing a lower bid.

Expectations of Approvers

Approvers include Ministry Leaders, Treasurer, Elders and bank payment authorisers.

Approvers are responsible for:

- (a) ensuring that financial approvals are within their delegation and budget;
- (b) the purchasing principles have been appropriately considered;
- (c) that the expenditure is for a genuine need; and
- (d) the purchasing process has complied with this policy.

Tendering process

If a project/purchase is over \$150,000 a tendering process must be followed, unless an exemption is provided at a church meeting. The Elders may also request a tendering process if they deem necessary for specific projects and purchases.

A project team will be set up to manage the specific project/purchase. The project team may consist of the following,

- *One Elder.*
- *Treasurer*
- *Relevant Ministry Leader*
- *Any member/s with relevant knowledge and/or skills.*

The Project Team will be approved at a church meeting.

The Project Team will evaluate the tender documents and recommend a successful tenderer to the church for approval.

Urgent/Emergency Expenditure

Where urgent/emergency expenditure is required and the appropriate approvals as outlined in the process for purchasing goods/services would cause significant delay, increasing damage/costs, hence the **Treasurer/Acting Treasurer** is given the authority to approve this expenditure. This approval must then be provided via email to the Leadership team within a reasonable time frame.