



VIDEA - Procurement Policy

The purpose of the VIDEA Procurement policy is to outline the approval of commitments and expenditures for products and services made on behalf of VIDEA volunteers and employees, including

- Commitment and expenditures of VIDEA resources
- Agreements with third party vendors and independent contractors

1. Policy

The guiding principal of fair value for money is the basis of all commitments and expenditures made by employees. Due consideration should be given to the responsible spending of donor funds. Commitment and expenditures should

- Reflect sound business decisions that are appropriately documented and approved.
- Be based on arm's-length negotiations with independent and bona-fide suppliers at a fair price.
- Be undertaken in a professional manner as befitting a charitable organization and without compensations for the purchase selection.

2. Process

Guidelines for the purchase of goods, services, equipment and assets, applicable for all purchases over \$100. For anything less than \$100, the Petty Cash policy will apply.

- Internal control – identify need for goods/services
- Plan – validate need and understand requirement
 - Do we already have access to it? Could the item be borrowed or is there a volunteer to provide the service?
 - Propose expenditure to supervisor for pre-approval.
- Budget
 - Is it an expense that will be covered within a funded project?
 - What is the budget for this line item?
 - Request from the Finance Manager the budget-to-actuals on this line to ensure that funds are available.
 - If this expense isn't budgeted or is over-budget, how can we raise the funds? Does the relevant supervisor approve the incurring of the expense and the possible raising of additional funds?
- Criteria
 - Who is authorized to make the purchase? See #3. Dollar threshold below.



- For each individual item over the value of \$100 - three quotations must be provided. If it is not possible to get 3 quotations, such as when there is only one hotel in the vicinity, or only one airline flying into a location, detail and a justification must be made on the quotation form.
- Does the purchase promote environmental sustainability? Value for money? Preference to local or fair trade. Give details on quotation form if purchase decisions are made on a basis other than cheapest option.
- v. Document
 - The VIDEA expense sheet or requisition form needs to be completed and signed by the employee/volunteer and supervisor to ensure all back-up is attached and rates, account codes and funds are correct. The expense or requisition form must be accompanied by a receipt or invoice prior to being presented to the Finance Manager for review.
 - The expense must be researched, and proof of comparable items documented on the quotation form to justify why the choice was made.
- vi. Payment
 - Once reviewed, and approved by the relevant supervisor, the Finance Manager will request written approval from at least two authorized signers before the transaction is made.

3. Dollar Threshold

For expenses already approved by the Board and included in the annual approved budget process. All expenses that fall outside of the annual approved budget must be approved by the Board.

- i. Up to \$100 – Volunteers
- ii. Up to \$500 – Project Officers
- iii. Up to \$1500 – Project Coordinators
- iv. Up to \$5000 – Programme Manager and Finance Manager
- v. Up to \$10,000 – Executive Director
- vi. Over \$10,000 – board approval required

4. (New) Vendors

In accordance with VIDEA mission and values statements, VIDEA reserves the right to deny any application from vendors whose practices or policies contravene our mission to support just and sustainable development, both in Canada and globally. All (new) vendors will be chosen according to the following:



- i. Thorough research and presentation on best possible product to meet our needs.
- ii. Is there an alternative to this supplier, has an alternative been considered?
- iii. Is the pricing fair/competitive?
- iv. Disclosure of potential conflict of interest.
- v. Once approved, all relevant details of the supplier must be provided in order for the Finance Manager to enter the required information into Sage 50 ie. Name of supplier, location, product/services provided, contact information, bank account or other payment details
- vi. Finance Manager will review details and verify bank account or other payment details to ensure payment is made.

5. Request for Proposals (RFP)

All VIDEA projects that require the hiring of an external contractor for specific project work whose subsection of the total project value amounts to \$10,000 or more over the duration of the project.

- i. The Personnel committee under whom the external contractors are hired, must meet at least 60 days prior to projected contract start date to begin the RFP process to establish the following:
 - a. Project objectives
 - b. Project timeline
 - c. Project requirements
 - d. Proposal requirements
- ii. Within the next 30 days an RFP must be distributed to selected vendors (minimum of 3) or made public.
 - a. The Personnel Committee will conduct a transparent question and answer period (with a questions and scoring matrix determined before reviewing any of the submissions or conducting any interviews).
 - b. Submissions collected (no later than 30 days prior to projected contract start date).
- iii. An internal evaluation process must be completed by a minimum of 3 qualified VIDEA members or associates.
- iv. References should be contacted for the forerunner or if the decision is close, reference should be contacted to enhance the final decision.
- v. Final vendor decisions must be made and vendors informed of the decision. The vendor should be selected and contract process initiated by 10 days prior to the projected contract start date.



6. Equipment

All equipment and asset purchases must be entered in Sage 50 by the Finance Manager with the following details:

- vi. Date of purchase;
- vii. Supplier;
- viii. Make, model, warranty/guarantee information

7. Capital Assets

“Capital Asset” is defined as a unit of property that:

- i. Has an economic useful life that extends beyond 12 months;
- ii. Was acquired or produced for a cost of \$1000 or more
- iii. VIDEA establishes \$1000 as the threshold amount for minimum capitalization. Any items costing less than this amount should be expensed in VIDEA’s financial statements.
- iv. Tangible capital and intangible assets acquired for direct use in projects are expensed in the year of acquisition.