

**The Forest Carriage Home Association, Inc.**  
**Policy**

**Title: Purchasing Policy**

Effective Date: 3/19/2019  
Approved by: Board of Directors Date Approved: 3/19/2019  
Date(s) of Review: \_\_\_\_\_  
Date(s) of Revision: \_\_\_\_\_

**Scope:** Board of Directors (“Board”)

**Purpose:** To define policy and procedure for purchasing goods and services including Board and Board member purchase approvals, payment approvals, competitive bidding or pricing and financial record keeping.

**Background:** By-Laws (2017) Sections 3.07, 5.06

**Policy:**

1. Whenever possible, purchases shall be paid for with an Association check or Association debit card.
2. Purchases made on behalf of the Association by a Board member or Homeowner using their personal finances will be reimbursed only if a legible receipt or invoice accompanies the reimbursement request.
3. Receipts, invoices or other bills for all purchases shall be forwarded promptly to the treasurer. Whenever possible, receipts and vendor invoices or bills should be submitted electronically by email to board@forestcarriagehomes.com.
4. The Board shall annually determine which, if any, purchases are exempt from full Board approval or required (By-Laws Sec. 5.06) payment approval. Any exemptions shall be recorded in the corresponding Board meeting minutes. Such exemptions may be based on dollar limits, expense categories, particular projects or vendors or contract types.
5. The Board shall decide if and when competitive bids or price comparisons should be pursued and specify the number of bids or comparisons to obtain. Such decisions shall be documented in the corresponding Board meeting minutes.
6. Shared Expense purchases of goods or services should have written approval from the two other Associations prior to the purchase. The written approvals should be promptly forwarded to the treasurer for purchase approval recordkeeping.

## **Procedure:**

### **Purchasing:**

1. All purchases, unless previously exempted by the Board, need prior approval by the Board. This approval shall take place at a regularly scheduled Board Meeting and documented in the corresponding Board Meeting minutes.
2. If obtaining a purchase approval is an emergency, the Board members may vote via email to approve the purchase with a majority of Board members needing to approve before the purchase can be made. Records of email approvals will be archived by the treasurer.
3. Purchases shall be made using an Association check or debit card.
4. The receipt, invoice or bill (paper or electronic copy) shall be forwarded promptly to the treasurer who will archive an electronic copy of said document.
5. When purchasing goods or services from a vendor who will invoice or bill the Forest Carriage Home Assoc. (FCHA) at a later date, the vendor shall be instructed to submit their invoice or bill electronically to board@forestcarriagehomes.com. If the vendor cannot bill electronically, the paper invoice or bill shall be mailed to The Forest Carriage Home Assoc., P.O. Box 6685, South Bend, IN 46660-6685.

### **Payment:**

1. All payments, unless previously exempted by the Board, require a second Board member other than the treasurer to approve the payment. The Board member who is the “project manager” for the goods or services purchased shall be the person to review and approve the invoice or bill.
2. All Board members shall review invoices and bills as they are submitted via email to the Board. The project manager’s approval shall be made via an email reply within seven days to the treasurer stating their approval of the attached electronic invoice or bill.
3. If an invoice or bill is received by postal mail it will be scanned and emailed to the Board for review and approval as described above.
4. Each invoice or bill shall be reviewed for correct vendor, correct date and type of service, correct price and correct math. Both the treasurer and the other approving Board member are responsible for reviewing these parameters on every invoice or bill to be paid.
5. If no approval or denial of an invoice or bill is received by the treasurer within the seven day review period, the treasurer will assume approval and pay the bill. The lack of approval will be noted on a check memo line that is unseen by the vendor.
6. If an invoice or bill is found to be in error by a Board member or project manager reviewer or the treasurer, the reviewer and treasurer together shall decide who will deal with the vendor to correct the error. The revised invoice or bill from the vendor will then be resubmitted to the Board via email, reviewed and approved by the process described above.