

**“Approved 3-14-17, Amended 3-13-18”-Columbia Community Land Trust, Inc.**  
**Financial Procedures Final**

**Purchasing Procedure**

Objective: The objective of this procedure is to formally standardize purchasing procedures for the Columbia Community Land Trust, Inc. (CCLT) organization. This procedure includes purchase bid limit thresholds, purchase procedure, check signature requirements, staff requirements, draw request requirements and deposit procedures.

Budget: All purchases must be within the line item budgeted amount for the current fiscal year. If bid prices are found to exceed the line item budgeted amount, the purchase shall not be made until the current fiscal year budget is amended through formal CCLT Board approval.

Purchases under \$1,000 shall not need formal Board approval; however, any purchase over \$1,000 shall require formal board approval prior to purchase of item.

Purchase Limit Thresholds: The purpose of this procedure is to standardize the number of bids required for various bid limit thresholds. This procedure outlines bid limit thresholds for purchases based on the expenditure amount and divides these thresholds into 3 categories: open market, informal bids, or formal bid process.

Credit/Debit Card Purchases: The purpose of this procedure is to standardize the procedure by which the CCLT can make purchases via debit or credit card. The CCLT may obtain a credit or debit card at its discretion, which shall be determined by a simple majority of the board. The CCLT Board shall designate CCLT staff person(s) to have authorization for its use. Maximum credit authorization shall be limited to \$5,000.

| <b>Purchasing Limit Thresholds</b> |                      |   |  |
|------------------------------------|----------------------|---|--|
| <b>Dollar Amount(s)</b>            | <b>Category Name</b> | <b>Description</b>  | <b>Pre-Purchase Approval Requirements</b>  |
| \$0-\$100                          | Small Dollar         | No contract or comparative bids are necessary.                              | CCLT Board President.  |
| \$0-\$999                          | Open Market          | No contract or comparative bids are necessary.                              | CCLT Board President and 1 additional Board Officer.   |
| \$1,000-\$9,999                    | Informal Bid         | 3 bids: by phone, internet search, email, or cooperative contract.          | CCLT Board by formal vote and simple majority. If no quorum is established, Board President and Treasurer may authorize procurement. |
| \$10,000 and above                 | Formal Bid           | Formal bid process through RFP or RFQ, sole source or cooperative contract. | CCLT Board by formal vote of at least two thirds majority.   |

## Purchase Step-By-Step Process:

### *Open Market*

1. Staff and/or CCLT Board identify purchase to be made.
2. Staff obtains estimated pricing for item or service.
3. Staff identifies adequate line item budget balance in current fiscal year for purchase.
4. Staff determines bid and pre-purchase approval requirements according to "Purchase Limit Thresholds" and determines the threshold to be "Open Market."
5. Staff identifies item to be purchased and submits check request to CCLT Board President.
6. CCLT Board President and additional Board Officer approve the purchase by both parties signing the check.
7. If paying via debit/credit card, staff shall obtain approval by the CCLT Board President and Treasurer, prior to making purchase. Approval can be in writing, email, or electronic document signature.

### *Informal Bid*

1. Staff and/or CCLT Board identify purchase to be made.
2. Staff obtains estimated pricing for item or service.
3. Staff identifies adequate line item budget balance in current fiscal year for purchase.
4. Staff determines bid and pre-purchase approval requirements according to "Purchase Limit Thresholds" and determines the threshold to be "Informal Bid."
5. City staff obtains 3 bids for item or service to be purchased, a cooperative contract or provides documentation verifying this as a sole source purchase.
6. Staff provides information for purchase including 3 bids, cooperative contract, or documentation verifying this as a sole source purchase to the CCLT Board.
7. CCLT Board votes to approve or disapprove purchase.
8. If approved, CCLT Board President and additional Board Officer approve the purchase by both parties signing the check.
9. If paying via debit/credit card, staff shall make purchase only after the CCLT Board votes to approve the purchase.

### *Formal Bid*

1. Staff and/or CCLT Board identify purchase to be made.
2. Staff obtains estimated pricing for item.
3. Staff identifies adequate line item budget balance in current fiscal year for purchase.
4. Staff determines bid and pre-purchase approval requirements according to "Purchase Limit Thresholds" and determines the threshold to be "Formal Bid."
5. City staff issues RFP or RFQ for item or service, identifies a cooperative contract or provides documentation verifying this as a sole source purchase.
6. Staff provides information for purchase including responses to RFP or RFQ, cooperative contract, or documentation verifying this as a sole source purchase to the CCLT Board.
7. CCLT Board votes to approve or disapprove purchase.

8. City staff works with vendor (and attorney as needed) to draft formal contractual agreement between CCLT and vendor.
9. Contractual Agreement goes before CCLT Board for approval.
10. If agreement is approved, vendor invoices for goods or services provided shall be verified as received by staff and in compliance with contractual agreement.
11. Staff shall provide documentation of verification of goods or services received to CCLT Board President and submit check request to CCLT Board President.
12. If approved, CCLT Board President and additional Board Officer approve the purchase by both parties signing the check.

### **Check Writing Procedure**

1. Housing Specialist verifies invoice for proper billing amount.
2. Housing Specialist writes check.
3. Housing Specialist enters check amount, number, and memo into QuickBooks.
4. Housing Specialist scans invoice into QuickBooks.
5. Housing Specialist brings check to Housing Programs Supervisor to initial.
6. Housing Programs Supervisor verifies check data and invoice entered into QuickBooks.
7. Housing Programs Supervisor initials check indicating proper amount, invoice and entry into QuickBooks.
8. Housing Programs Supervisor prints invoice, Quick Books entry page, attaches to check.
9. Board President reviews and signs check.
10. Board Treasurer reviews and signs check.
11. Staff submits payment to vendor.

### **Request for Funds Procedure (Drawing Down Grant Funds)**

Objective: Most non-profit funding sources require funds to be draw down on grants awarded as costs are incurred. This procedure outlines the process for requesting reimbursement of expenses through all grants requiring a request for funds after expenses are identified. Generally, expenses shall be reimbursed after funds are expended; however, funds can be drawn before an expense is incurred as allowed by the specific funding source.

#### Request for Funds Step-By-Step Process:

1. Staff identifies funds to be drawn from specific grant source.
2. Staff formulates a request for funds packet according to funding source requirements and includes back-up expenditure documentation for CCLT President review.
3. CCLT Board President reviews request for funds packet and associated documentation.
4. CCLT Board President approves and signs off on draw request.
5. Staff deposits funds into bank and maintains copies for monthly reporting of deposits to CCLT Board.

### **Contract Approval Procedures**

This procedure is intended to detail appropriate steps and roles for City staff and board members in executing a contract between CCLT and another party. This procedure is intended for purchases

requiring a contract or services agreement that exceeds \$1,000. The intent of the procedure is to ensure transparency of contract negotiation and effective stewardship of funding.

1. Upon CCLT Board approval of purchase or contract, City staff shall negotiate the terms of the agreement with the other party.
2. Once a final draft is agreed to by City staff and the other entity involved, the final agreement shall be brought before the CCLT Board for formal approval.
3. Upon formal Board approval of the contract, the President shall be authorized to sign the contract.
4. If the CCLT Board does not approve the contract, City staff will attempt to renegotiate the terms of the agreement as identified by the CCLT Board.

### **Web-Based Donation Account Procedures**

1. Staff shall maintain the log-in and password for account.
2. The account shall be set-up in a manner to provide emails to City staff and all Board Members regarding all transactions within account.
3. Staff shall transfer funds from web-based system to CCLT checking account not more than once per month and within 7 days of the last day of the month.
4. Staff shall record deposit record within accounting software prior to the end of the month.
5. The CCLT 3<sup>rd</sup> Party Accountant shall reconcile monthly web based account report in addition to CCLT Checking Account and accounting system.

### **Financial Reporting Procedure**

Objective: The purpose of this procedure is to identify the manner in which staff and 3<sup>rd</sup> party entity will provide financial reporting to the CCLT Board.

#### Monthly Reporting of Expenditures, Revenues and Bank Statements

1. Staff shall provide a monthly report to the CCLT Treasurer of all expenditures cumulative for the current fiscal year.
2. Staff shall provide a monthly report to the CCLT Treasurer of all revenues cumulative for the current fiscal year.
3. Staff shall provide a monthly (cumulative) bank statement of all expenditures for the current fiscal year to the CCLT Treasurer.
4. The CCLT Treasurer shall review monthly report and bank statement to verify accurate reporting of data.
5. The CCLT Treasurer shall present the monthly report of cumulative expenditures for the current fiscal year to the CCLT Board.
6. CCLT Board shall approve the report as accurate.

#### Quarterly Financial Statements

1. Quarterly financial statements shall be provided by the first CCLT Board meeting following the end of the previous quarter.
2. The quarterly financial statement shall consist of the following information:
  - a. Revenues
  - b. Expenses

- c. Balance Sheet.
  - i. Assets
  - ii. Liabilities
  - iii. Net Assets

Annual Financial Review of Financial Statements

- d. Staff shall notify a 3<sup>rd</sup> party audit firm, procured according to CCLT procedures, to produce a Reviewed financial statement of assurance.