

SANDESTIN OWNERS ASSOCIATION, INC.

PURCHASING POLICY

Board of Directors Approved June 17, 2010

Revision 4 Approved 10/03/2024

Whereas Article VI subsection (f) of the Sandestin Owners Association Bylaws (herein after SOA, "Association and Bylaws respectively) provide that the Board of Directors ("Board") shall manage the business and affairs of the Associations and furthermore that the Board shall have all the powers and duties necessary for the administration of the affairs of the Association and

Whereas Article VI subsection (d) of the Powers and Duties of the Board of Directors empowers the Board to adopt and amend reasonable rules and regulations not inconsistent with the Association Documents and

Whereas it is desirable to establish a policy for the SOA in order to maximize completion to obtain goods and services for the lowest acceptable price to control expenditures.

Now **THEREFORE BE IT RESOLVED** that the following policy was established for the procurement and purchase within the requirements of the SOA.

APPROVAL LEVELS

The Board’s approval of the budget, reserve fundsⁱ, capital and one-time projects constitutes its delegation of authority to the Association Executive Director and Department Directors to expend the funds for their respective departments contained therein.

In order to ensure the most effective use of our resources the following purchasing approval levels and mandatory required bids are established.

<u>Amount of Purchase</u>	<u>Minimum Bids Required</u>	<u>Authorizing Official</u>
\$2,500-10,000 ³	Optional as determined by Executive Director	Executive Director Dept. Directors
\$10,001-25,000 ³	Two Written Quotes	Executive Director
\$25,001-50,000 ⁱⁱ	Three Written Bids	Board of Directors
All above	Bids	Board of Directors

Any Property Purchase in excess of \$1,000,000 requires approval of the Advisory Board.²

Any budgeted monthly recurring expense, under the amount of \$10,000 only needs approval by Director of specified area, even if there is no contract. Budgeted monthly recurring expenses as well as any predetermined budgeted expenses for which there is no contract, do not need Board approval as long as a copy of the contracted amount is attached to the invoice.

PURCHASES

The SOA Board will select the bid representing the best combination of service and value from the group of qualified bidders. The SOA Board is under no obligation to select the lowest bid.

SOLE SOURCE PURCHASES

It is recognized that in some few and unusual purchases, obtaining competitive bids may not be practical. On this basis, a purchase up to \$10,000 may be obtained from a Sole Source ONLY if a written Sole Sources justification is submitted to the Executive Director by the responsible Director that requires the purchase. In like kind, Sole Sourcing may be recognized and approved by the Board of Directors from Executive Director.

BIDS

Once a bid has been accepted by the Board and the project begun, additional expenses incurred due to unforeseen circumstances cannot exceed 10% of the original contracted price or \$25,000 without the Board's approval. The Executive Director will be responsible for reporting material overruns to the Board.

PURCHASE ORDER, WORK ORDERS, AND CONTRACTS

A numbered purchase order, work order, or contract will be issued for major projects or asset purchases for which the expenditures fall outside of the regular operating expenses. All purchase orders, work orders, and contracts will be numbered and maintained by the Accounting Director. Prior to ordering, the purchase order must be approved by the Department Director or Executive Director.

EMERGENCY PURCHASES

If an emergency purchase is required and the Executive Director is not available, the Accounting Director may act as the authorizing official. All emergency authorizations must be produced in writing within five business days (5) after the purchase is made. All purchases over \$10,000 must be approved by the President of the Board, or in their absence the Vice President or Treasurer.

UNBUDGETED PURCHASES

Any unbudgeted purchase in excess of \$10,000 will require the approval of the Board. All non budgeted items under \$10,000 will require the approval of the Executive Director. All non-recurring and non budgeted items purchased in excess of \$10,000 will require two signatures on the check, one of which must be an Officer of the Association.¹

CORPORATE PURCHASE CARDS³

The use of corporate purchase cards is restricted to authorized employees only and should only be used in accordance with the Purchase Card Policy.

Expenditures for travel, education, and other related expenses will be approved and processed in accordance with the Association's Travel and Entertainment policy.

PETTY CASH FUNDS³

There are three petty cash funds currently authorized by the SOA Board

Department	Amounts
Petty Cash	\$600
Customer Service One	\$300
Customer Service Two	\$300

The petty cash fund shall consist of only cash advances, or receipts for purchased services/good. The limit on the petty cash purchase shall be \$200. It is against the SOA policy for petty cash funds to be used as loan monies for individuals. Petty cash is to be audited twice yearly by the Accounting Director at unannounced times.

¹ 6/16/2016 – Added “reserve funds” to Approval Levels and modify language regarding two signature requirements on checks for additional security measures.

² 4/20/17 - Advisory Board Approval for any property purchase in excess of \$1M.

³ 10/03/24 Adjust bid requirement and amount of purchase limitations for Executive Director to \$2500-10,000, update name of corporate credit card to purchasing card, adjust petty cash fund amounts and purchase limits.