

## PURCHASING STANDARDS

- A. All purchasing transactions shall be conducted in a manner to provide for the maximum extent practical, open and free competition. Awards shall be made to the responsible vendor whose offer is responsive to the solicitation and is most advantageous to PIHC.
- B. Purchasing action by persons to whom authority has not been delegated and any action beyond the scope of delegated authority to not constitute valid obligations of PIHC; obligations so incurred will be the responsibility of the individual taking the unauthorized action.
- C. Affirmative steps will be taken to assure that minority businesses are utilized when possible as sources of supplies, equipment, and services. Affirmative steps shall include the following:
1. Include minority businesses on solicitation lists.
  2. Assure minority businesses are solicited whenever they are potential sources.
  3. Use the services and assistance of the Office of Minority Business Enterprise of Atlanta Chamber of Commerce.
- D. Conflict of Interest
1. General Policy  
Financial independence from outside influences is crucial to the agency's ability to provide appropriate services and maintain necessary accountability. Accordingly, while performing duties within the scope of their authority, employees and officers of the agency should not accept personal gifts of goods or services from any corporation, governmental entity, or individual. Further, employees and officers should not engage in financial dealings on behalf of the agency with any entity, which will result in a personal benefit to the employee or officer. Additionally, an employee or officer should not attempt to encourage the agency to engage in a financial transaction through which the employee or officer may personally benefit.
  2. 'Personal Gifts' and 'Personal Benefits' Defined  
A 'personal gift' is any donation of goods or services made directly to an employee or officer that does not benefit the agency in any material way. A 'personal benefit' is a financial or occupational reward inuring to an employee or officer.
  3. Conflict of Interest Statement  
Each employee and officer will be required to sign a statement revealing any known financial interest in companies with which the agency does business, or from whom the agency accepts monies or other gifts.
  4. Food/Entertainment/Seminars/Honoraria

It is not a violation of this policy for an employee or officer to accept offers of prepaid meals, entertainment, or educational opportunities (such as seminars) while performing duties for the agency. However, the employee or officer should report in writing the acceptance of any gift worth more than \$100 to the CEO on a form approved by the agency. Further, it is not a violation of this policy for an employee or officer to accept honoraria in order to defray the cost of travel or other out-of-pocket expenses when acting on behalf of the agency. Again, any such honoraria in excess of \$100 should be reported in writing to the CEO on a form approved by the agency.

#### 5. Suggestions for Resolving Ethical Dilemmas

Should an employee or officer be offered an apparently inappropriate personal gift, it is proper to suggest that the donor instead contribute to the agency. It is also proper, if not encouraged, for an employee or officer to discuss any question as to the propriety of accepting any offer of free goods or services with the CEO and/or the Board President. Should an employee or officer discover that he or she may have a conflict of interest (such as employment by a major donor to the agency), the employee or officer should reveal that conflict as soon as possible to the CEO, and should refrain from directly participating in any dealings or decisions relating to the entity in question. The employee or officer should likewise refrain from attempting to influence other employees regarding decisions affecting the entity.

#### 6. Sanctions

Should an employee or officer accept an inappropriate personal gift, that employee or officer will be required to either: (a) return the gift to the donor; or, if not possible to return the gift, (b) refund the fair market value of the gift to the donor. Acceptance of a personal gift that the employee or officer knows, or should know, is in violation of this policy is cause for discipline, including suspension or termination.

It is also cause for discipline for an employee or officer to either fail to reveal a conflict of interest known to the employee or officer, or to encourage the agency to enter into a financial

#### E. General Office Supplies

The on-going purchasing of general office supplies and paper products is the responsibility of the MD/Transportation Manager.

#### F. Purchasing - Limit of less than \$2,999

All purchase of equipment, supplies and or printing under \$2,999 will be submitted on a Purchase Order (P.O.) to the respective Department Director for prior approval. Prior approval must be received prior to ordering and/or purchasing said item(s). See exhibit J for a sample P.O.

G. Purchasing - \$3,000 or more

Purchasing & Procurement of items and/services in excess of \$3,000 will require seeking a minimum of three bids. All purchasing & procurement for amounts over \$3,000 are to follow HUD's 24CFR part 84.20-49. All purchase of equipment, supplies and or printing over \$3,000 will be submitted on a Purchase Order (P.O.) to the respective Department Director for prior approval. All purchase orders over \$3,000 must be approved by the CEO.

The Finance/Data Manager is responsible to keep current copies of all Federal, State and Grant regulations as they pertain to purchasing. Upon following all requirements, the bids will be reviewed and the purchase awarded to the most applicable and lowest bid.

### **37) Fraud Control**

Management realizes that no practice can circumvent collusion but procedures are followed such that fraudulent activity should be easily detected, and to minimize Positive Impact losses in the event such activity should occur.

The ensuing practices should be adhered to in carrying out the organizations financial affairs:

1. No one person handles a transaction from beginning to end.
2. The organization has a blanket fidelity bond on its employees.
3. The CEO is the only employee who authorizes the write-off of any outstanding receivable.
4. Mail is opened by persons independent of all accounting functions.
5. Bank reconciliations are prepared by the FD/M and reviewed by the Board Treasurer. Adjusting journal entries to cash accounts are generated by the FD/M.
6. Adjusting journal entries required to maintain the accrual basis of accounting are reviewed by the CEO prior to posting. All adjustments are supported by appropriate documentation.