

# 14<sup>th</sup> DAA PURCHASING POLICY

## WRITTEN PROCEDURES AND INTERNAL CONTROLS

The CEO shall produce and disseminate procedures which establish internal controls such as:

- Employees & volunteers must obtain permission from the CEO prior to purchasing any materials or supplies over \$100.
- The fairgrounds maintains “trade accounts” with many local vendors. These accounts shall have authorized signers and credit limits. Staff will review these accounts on a regular basis to insure they are used appropriately.
- When supplies need to be purchased locally from vendors where the fairgrounds does not have a trade account administrative staff will issue a debit card with a \$1,000 daily credit limit to employees or volunteers who are purchasing materials or supplies.
- The CEO will utilize a fairgrounds credit card or issue a check for purchases that exceed the debit card daily limit.
- When materials or supplies are available from on line suppliers at a lower cost the CEO will use the fairgrounds credit card for these transactions.

## Accounting Controls

- Prior to paying an invoice administration staff will make sure that the quantities and unit prices have been correctly ordered, billed, and delivered.
- Make payments in a timely manner to prevent assessment of finance or service charges and to take advantage of available discounts.

## DELEGATION OF AUTHORITY

The board of directors must approve a Delegation of Authority annually. The Board will determine what level of contract approval authority to delegate to the CEO and/or other staff. This Delegation is based upon dollar amount and type of contracts. For all contracts that do not fall under the Delegation, individual Board approval and a formal Board resolution is required prior to entering into the contract. The annual Delegation is heard and approved by the board then submitted to Fairs and Expositions prior to beginning a new year.

The following information regarding Delegations for contracts and sample Delegation formats will assist with preparation.

- Each DAA's *Delegation for contracts* **expires annually on December 31<sup>st</sup>** .
- The DAA's Board must annually re-hear, approve, and submit to Fairs and Expositions a new Delegation.
- Each time the DAA appoints a new CEO or other authorized person, a new Delegation must be heard, approved, and submitted.

- Contracts exceeding one year do not fall under the Delegation.
- The *Delegation* may give more than one person authority, as long as all information for each person is included.
- Typically, a Board still requires that at subsequent meetings they receive a listing of all contracts executed using the Delegation for their review and information.

The *Delegation* is documented in the form of an excerpt of the Board meeting at which it was approved. It must include:

- The Board meeting date.
- The expiration date of the Delegation (the following December 31st)
- Who motioned and who seconded.
- The name and title of the person(s) to whom the Delegation is given.
- The types of contract and dollar amounts approved.
- Description of any subsequent contract review requirement.
- "Certified to be a True Copy" signed and dated by the CEO.
- For any person receiving authority who is not the CEO, their dated signature must also be included on the Delegation.