**POLICY**

1. **Purpose**

The purpose of this policy and set of procedures is to ensure that goods, services, and work purchased for Shorecrest is obtained in a manner that is cost-effective and consistent with our Mission, Vision and Goals.

Shorecrest has elected to decentralize the purchasing process so purchasing at Shorecrest is therefore a small part of many people’s jobs, rather than a large part of a few people’s jobs.

It is important for all faculty and staff members who purchase on behalf of Shorecrest to realize that they have a fiduciary duty to protect the school’s best interest in all business transactions. The individual purchaser is an ambassador for and should represent the integrity of the school. Inter-actions with current and potential suppliers must be handled in an ethical manner.

Below are ethical guidelines and considerations for anyone who makes purchasing decisions on behalf of Shorecrest:

* **Value** – Endeavor to obtain the most value for Shorecrest regardless of the dollar amount of the purchase. Confirm value by including quality of products, level and quality of services provided by each supplier.
* **Due Diligence –** Seize opportunities for assistance when determining needs at any dollar level. Utilize vendors who are recognized experts in their fields to help find solutions, while conducting as much internal discovery as possible and avoid undue external influence.
* **Conflict of Interest** – Effectively mitigate your potential conflicts of interest by recognizing activities, which might appear to compromise sound purchasing decisions.
* **Reciprocity** – Acknowledge there may be opportunities for potential suppliers to be a close part of your school community. It is important to be conscious of and avoid any improper reciprocal agreements that would undermine ethical behavior or the values of your school.
* **Impropriety** – Champion ethical behavior by not accepting personal gifts, gratuities, or other favors offered by suppliers.
* **Confidential and Proprietary Information** – Maintain the confidentiality of all material you receive (pricing, bid details, and proprietary information) at all times. When seeking referrals from colleagues, help them remain ethical by requesting to focus on the vendor’s solution for the school, avoiding pricing and other confidential information.
* **Responsibility** – Uphold the mission and values of Shorecrest by exercising reasonable care of your fiduciary responsibilities and Shorecrest’s relationships with vendors and service providers.
* **Equal Consideration** – Establish a fair and equitable process for soliciting bids including realistic timelines, deadlines, and communications schedules. Grant all competitive suppliers equal consideration. Encourage the use of diverse suppliers.
* **Sustainability -** Include sustainable and environmentally responsible choices in your purchasing decisions. Encourage purchasing from vendors that have a stated or written policy on sustainable manufacturing processes up and down the supply chain.
* **Influence** – Maintain professionalism at all times so you may avoid any action that might negatively influence vendors or purchasing decisions.
* **Foster Positive Supplier Relationships** – Encourage positive relationships by conducting business in an atmosphere of good faith. Promote a fair and accurate representation of your needs and wants; request a fair and accurate representation of available products and services from suppliers or potential suppliers.
* **Professional Competence** – Recognize not everyone at Shorecrest is experienced in institutional purchasing. Those new to this role should exercise integrity and good judgement while seeking knowledge from others within Shorecrest that may have more experience. If you have experience, be open to sharing ethical standards with faculty or staff new to this role.
* **Common Sense and More –** Emphasize the standard of using a common sense approach in purchasing, while striving to work with vendors who exemplify ethical behavior by refusing to speak badly of other vendors offering similar products or services.

This accounting policy establishes the procurement policy and procedures for selecting vendors, establishing payment terms, strategic vetting, selection, the negotiation of contracts and actual purchasing of good, services, and work in accordance with generally accepted accounting practices.

Shorecrest is a 501(c)(3) tax-exempt non-profit organization. As a result, purchases made on behalf of the school should NOT contain sales taxes. Letter of sales tax exemptions from the Florida Department of Revenue are available on the Google Sites App in “Business Office Inter-departmental Policies, Procedures and Forms” under “Purchasing”. A Shorecrest check or purchase card is required to receive this tax-exemption.

# Scope

All goods, services, and work obtained outside the scope of regular employment.

Responsibilities

All Authorized Purchase Signers and Budget Department Heads of Shorecrest are responsible for compliance with this policy.

# The Head of School and CFO/COO are responsible for establishing procedures to implement this policy and ensuring that purchases are in accordance with this policy.

# The Board Finance Committee is responsible for the periodic review of the procedures that implement this policy.

# Conflict of Interest

# Per Shorecrest’s Conflict of Interest Policy, no employee, officer, trustee, volunteer or agent of the school shall participate in the selection, award or administration of a bid or contract when she or he has a real or perceived conflict of interest.

# Shorecrest’s employees, officers, trustees, volunteers or agents should neither solicit nor accept gratuities, gifts, trips or anything else having a value in excess of $25 from a vendor or potential vendor.

# Procurement definition

The process of purchasing goods and services is known as Procurement or the “Procure-To-Pay Cycle.” The entire Procure-To-Pay Cycle can be an involved process with numerous steps such as:

* Identify the requirement
* Authorize the request
* Approve the purchase request
* Identify suppliers
* Inquiry/receive a quote
* Negotiation
* Selection of a vendor

*Purchasing Portion of the Procure-To-Pay Cycle:*

* Purchase Order Acknowledgement
* Advance Shipment Notice
* Goods Receipt
* Invoice Recording
* 3 Way Match (purchase order = packing slip=invoice)
* Payment to the supplier.

# Vendor Selection and Bidding Requirements

All Authorized Purchase Signers and Budget Department Heads will solicit competitive, tax-free bids or research competitive price quotes whenever possible from several vendors. Whenever applicable to a purchase, bids and research should include at least one **MISBO** or NBOA Purchasing Point Vendor. Professional service contracts should be evaluated every 5 years. Decisions to approve a new vendor with projected annual spending in excess of $5,000 will be made jointly by the department director and the CFO/COO. The department director may approve all other new vendors.

# The following questions should be addressed while making any vendor selection:

# Does the vendor provide the best mix of quality, service and price for the need?

# Would selection of the vendor and the products/services supplied be consistent with the Shorecrest’s commitment to environmental sustainability and social justice?

# Selection and bidding requirements are based on the total purchase cost, as outlined below. Procurements should not be split into multiple purchases /contracts in order to bypass the bidding requirements of a larger, single procurement.

# Purchases under $5,000

# Formal documentation of vendor selection is not required. Purchasers are expected to conduct an informal analysis and select the vendor making the best offer per the criteria outlined above. Reasonable efforts shall be made to ensure fair and competitive pricing.

# Purchases of $5,000 to $25,000

# A minimum of three written bids are required. Web and catalog price listings are considered to be written bids, as are price quotes via email. Each vendor must be provided with the same description of the specifications and technical requirements for the goods or services required.

# Purchases of $25,000 or More

# A minimum of three written bids/proposals are required; each must be signed by an authorized representative of the vendor. Each vendor must be provided with the same description of the specifications and technical requirements for the goods or services required. Copies of all of the written bids/proposals must be attached to purchase orders received from the final vendor.

# Sole Source Procurement

# Occasionally, a purchaser may be unable to (or choose not to) obtain competitive bids or proposals as outlined above. These situations are characterized as sole or single source transactions:

# Sole Source. No other vendor is capable of fully meeting the specified requirements.

# Single Source. Alternative vendors exist, but the purchaser chooses to obtain a bid from only one vendor because of technical requirements or past performance by the other vendors.

# Purchasers must fill out a Sole Source Selection Form and write a narrative justification for the noncompetitive procurement. All Sole/Single Source contracts/purchases of $10,000 or more must be approved in writing by the Head of School. Finance Committee approval is required on all contracts and purchases of $25,000 or more must be reviewed and ratified by the Executive Committee of the Board of Trustees. The CFO/COO may approve up to $10,000.

1. **Approval Process**

Departments will request capital and operating expenses during SPS’s annual budgeted process. All non-technology requests greater than $1,000 will be made to the Facilities Director. All technology requests will be made to the Technology Director. Both Directors will ensure that estimated costs (including shipping and installation) are provided along with the rational for the need (repair, replacement, start-up for a new program, etc.). The Directors will prioritize and break the purchase requests into the following categories: Current normal operations, Strategic Initiatives, PPRRSM. The Directors will then meet with the Headmaster and CFO for cash requirements and budget for items up to $25,000. Those items that are approved by the Headmaster and CFO will be presented to the Finance Committee for review and recommendation to the full Board.

During the fiscal year, if an unbudgeted emergency occurs, the CFO, in communication with the Headmaster, may approve capital asset expenditures up to $10,000. The Headmaster may approve, in communication with the CFO, up to $25,000. The Finance Committee will be notified at the next meeting. Unbudgeted emergency items greater than $25,000 must be approved by the Finance Committee up to $75,000 and presented at the next full Board Meeting. Unbudgeted emergency items greater than $75,000 need Board discussion and approval to proceed.