

PURCHASE APPROVAL REQUIREMENTS

Questions have been raised at the last few Board meetings about the process and transparency of purchase approvals. The requirements from the Purchasing Policies and Procedures follow. The Purchasing and HOA Activities Fund Policies and Procedures are available on the website and in the Library/Ceramics Room.

- Purchases should not exceed the aggregate annual budget figure reflected by the General Ledger for the related cost center. In cases where the cost will exceed the budget figure, prior approval of the Board of Directors (BOD) at a regular or special meeting is required.
- Purchases of \$100 or less require no prior approval for Standing Committee Chairpersons or members of the BOD/Officers. [There are only fourteen (14) Standing Committees and they are listed in the By-Laws and at the front of the phone directory.]
- Purchases greater than \$100 and not exceeding \$500 require:
 - Prior approval of the Facilities Committee Chairperson. -or-
 - Prior approval of (1) member of the BOD.
- Purchases greater than \$500 and not exceeding \$1,000 require:
 - Prior approval of (1) member of the BOD and the Facilities Committee Chairperson. -or-
 - Prior approval of (2) members of the BOD.
- Purchases greater than \$1,000 and not exceeding \$2,000 require:
 - Prior approval of (2) members of the BOD and the Facilities Committee Chairperson. -or-
 - Prior approval by a majority vote of the BOD at a regular or special meeting.
- Purchases greater than \$2,000:
 - For a single unit item, including quantities of the same item (e.g., 10 chairs), require (3) bids unless waived by the BOD for cause. Appropriate cause could include lack of available suppliers or proven quality and capability of a known supplier.
 - Require prior approval by a majority vote of the BOD at a regular or special meeting.

Please note that many purchases do not require presentation to the membership nor is there a requirement for the details of competitive bids to be presented. However, the Board should and does inform the membership of as much detail as possible and appropriate.

These controls may be circumvented per the appropriate Florida Statute during emergency or catastrophic events.

There is a separate listing in the HOA Activities Fund Policies and Procedures of approvals for purchases using this fund.