



# Administrative Procedure: Purchasing

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# 1.0 Broader Public Sector Procurement Directive

- 1.1 The Superior North Catholic District School Board is a Broader Public Sector (BPS) organization to which the Broader Public Sector Accountability Act, 2010 applies. Effective April 1, 2011 the board must comply with the Broader Public Sector Procurement Directive (the Directive), attached as Appendix A, which replaces the Broader Public Sector Supply Chain Guideline.
- 1.2 The Directive also applies to goods and services, including consulting, purchased jointly with other organizations.
- 1.3 When determining the value of procurement for approval purposes, applicable sales tax must not be taken into consideration.
- 1.4 Five key principles built into the Directive are as follows:
  - 1.4.1 Accountability - organizations must be accountable for the results of their procurement decisions and the appropriateness of the processes.
  - 1.4.2 Transparency - organizations must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
  - 1.4.3 Value for Money - organizations must maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total life cycle cost.
  - 1.4.4 Quality Service Delivery - frontline services provided by organizations, such as teaching, must receive the right product, at the right time, in the right place.
  - 1.4.5 Process Standardization - standardized processes remove inefficiencies and create a level playing field.

## 2.0 Broader Public Sector Supply Chain Code of Ethics

- 2.1 All employees involved with the activities within the Broader Public Sector Procurement Directive must conduct themselves in accordance with the Ontario Broader Public Sector Supply Chain Code of Ethics, attached as Appendix B. The goal is to ensure an ethical, professional and accountable Broader Public Sector supply chain.

## 3.0 Conflict Of Interest

- 3.1 Individuals involved with the Supply Chain Activities must declare actual or potential conflicts of interest with advisors, external consultants or suppliers. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.
- 3.2 If a conflict of interest arises with a member of staff they are to go to their respective immediate supervisor according to their Chain of Authority.

## 4.0 Segregation of Duties

- 4.1 Requisitions can be in the form of purchase orders or cheque requisition forms. For school level purchases, the Principal or designate will sign to authorize the purchase. Other purchases will have the person responsible for a funded initiative (Superintendent) to sign for this authorization.
- 4.2 All purchasing by purchase order shall be made through the purchasing department at the Catholic Education Centre.
- 4.3 For purchases, the Principal, Manager, or Superintendent will determine if sufficient budget funds remain before signing for final approval of purchase orders and cheque requisition forms thus committing the funds.

- 4.4 The school administrative assistant or receiving budget holder, or designate, will be responsible for checking for damaged goods and counting to ensure the correct number of items have been received. This person will initial and date the packing slip, purchase order and/or invoice to evidence receipt of goods. Any discrepancies must be noted on the packing slip when goods are signed for receipt.
- 4.5 Two signatures are required for all cheques. Authorized cheque signers include the Director of Education, Manager of Finance, Executive Administrative Assistant and Chairperson. Since the signature stamps are applied electronically, two original signatures or initials are required on the hard-copy cheque register.

## 5.0 Prescribed Procurement Methods

- 5.1 The following Procurement Approval Authority Schedule (AAS) prescribes what procurement method is to be followed based on the procurement value. Appropriate level of approval authority is also listed.

**Procurement Approval Authority Schedule (AAS)**

**Goods and Non-Consulting Services**

Procurement Value	Procurement Method	Approval Authority
\$0 up to \$1000	<ul style="list-style-type: none"> <li>• Petty Cash (OR)</li> <li>• Cheque Requisition (OR)</li> <li>• Credit Card (OR)</li> <li>• Purchase Order</li> </ul>	<ul style="list-style-type: none"> <li>• School Principal (or Principal Designate) (OR)</li> <li>• Credit Card Holder (OR)</li> <li>• Budget Holder</li> </ul>
\$1001 up to \$3000	<ul style="list-style-type: none"> <li>• Cheque Requisition (OR)</li> <li>• Credit Card (OR)</li> <li>• Business Charge Account (OR)</li> <li>• Purchase Order</li> </ul>	<p><b>School Level:</b></p> <ul style="list-style-type: none"> <li>• School Principal (or Principal Designate) (AND)</li> <li>• Superintendent</li> </ul> <p><b>System Level:</b></p> <ul style="list-style-type: none"> <li>• Budget Holder (OR)</li> <li>• Credit Card Holder (AND)</li> <li>• Supervisor, Manager or Assistant Manager</li> </ul>
\$3,001 up to \$30,000	<ul style="list-style-type: none"> <li>• Purchase Order</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Holder and/or School Principal (or Principal Designate) (AND)</li> <li>• Superintendent (OR)</li> <li>• Manager of Finance</li> </ul>
\$30,001 up to but not including \$100,000	<ul style="list-style-type: none"> <li>• Invitational Competitive Procurement (Minimum of three suppliers are Invited to submit a bid.) Supporting documentation is to be filed with purchase order.</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Holder (OR)</li> <li>• Manager (AND)</li> <li>• Director of Education (OR) Superintendent Designate</li> </ul>
\$100,000 or More	<ul style="list-style-type: none"> <li>• Open Competitive Process</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Holder or Supervisor (OR) Manager (AND)</li> <li>• Director of Education (OR) Superintendent Designate</li> <li>• Board of Trustees Approval Required</li> </ul>

**Procurement Approval Authority Schedule (AAS)**

**Consulting Services excluding Plant Department**

<b>Procurement Value</b>	<b>Procurement Method</b>	<b>Approval Authority</b>
\$0 up to but not including \$100,000	<ul style="list-style-type: none"> <li>• Invitational Competitive Procurement (Minimum of at least two (2) qualified suppliers are invited to submit a bid.)</li> <li>• Supporting documentation must be attached to the purchase order or contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Manager or Supervising Manager (AND)</li> <li>• Director of Education (OR) Superintendent Designate</li> </ul>
\$100,000 or More	<ul style="list-style-type: none"> <li>• Open Competitive Process</li> <li>• Supporting documentation must be attached to the purchase order or contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Manager (AND)</li> <li>• Director of Education (OR) Superintendent Designate</li> <li>• Board of Trustees Approval Required</li> </ul>
\$100,000 or More	<ul style="list-style-type: none"> <li>• Non-Competitive (*)</li> </ul>	<ul style="list-style-type: none"> <li>• Manager (AND)</li> <li>• Director of Education (OR) Superintendent Designate</li> <li>• Board of Trustees Approval Required</li> </ul>

(\*) Exemption-based only

- 5.2 If the Board is asserting that procurement is subject to an exemption, exception, or non-application clause under a trade agreement, documentation must be prepared and signed to formally establish applicability of this clause.
- 5.3 Prior to commencement, any procurement must be approved by the appropriate authority level.

- 5.4 An open competitive procurement process must be conducted where the estimated value of procurement of goods or services is \$100,000 or more. Consulting services must be competitively procured irrespective of value. The exemptions must be in accordance with the applicable trade agreements.
- 5.5 Prior to commencement, any non-competitive procurement of goods or non-consulting services must be approved by an authority one level higher than the appropriate authority level for competitive procurement.
- 5.6 The board must not reduce the overall value of procurement (eg. dividing a single procurement into multiple procurements) in order to circumvent the approval requirements.
- 5.7 The procurement value is determined by the total value of goods or services to be procured. In the case of a multi-year lease or contract, the total payments over the life of the lease or contract including extensions shall be used as the total value.
- 5.8 When determining the value of procurement for approval purposes, the board must not take into consideration applicable sales tax.
- 5.9 Nothing precludes adopting a higher competitive procurement standard at a lower procurement value.
- 5.10 Whenever feasible, the procurement must support energy management goals and/or consider energy management goals of suppliers.
- 5.11 Exceptions
  - 5.11.1 The Manager of Finance shall be permitted discretion in the application of item 5.0 above if:
    - a. The preferred number of competitive bids cannot be obtained, or;
    - b. It is more appropriate to purchase a particular make or model or brand to ensure compatibility with existing equipment and/or procedures, or;
    - c. It is more appropriate to deal with a particular supplier for reasons of service or delivery.

- 5.12 Employees shall not use any Board business charge accounts or Board credit cards to purchase any items or services for the personal use of employees, including but not limited to shipping and courier services.
- 5.13 An employee who purchases goods or services without obtaining the necessary approvals may be deemed to have made the purchase personally and may be required to reimburse the Board for the purchase.
- 5.14 Every attempt must be made to follow this policy. However, in extenuating circumstances where it is not practical nor possible to obtain the necessary quotes/bids in accordance with this policy, the reasons for deviating from this policy shall be clearly documented. This written documentation shall be signed by the Budget Holder and the appropriate Superintendent (AND) Manager before a purchase is made.
- 5.15 All purchase orders must be issued prior to May 31st to allow receipt of goods and invoices before the end of the school fiscal year. The only exception to this would be in the case of dealing with local suppliers where delivery and invoicing can be guaranteed prior to the end of the school year.

## 6.0 Overall Authorization

- 6.1 The general Board approval of the budget is understood to be sufficient authorization for commitment of funds, up to the limits set in the budget.
- 6.2 The Board of Trustees retains the right to require specific approval for capital expenditures and long-term commitments before the actual commitment is made.
- 6.3 Such approval is required for:
  - 6.3.1 The acquisition of land, buildings, additions or major items of equipment whether by purchase, fabrication, construction, contract or lease;
  - 6.3.2 The alteration, conversion, or relocation of existing buildings or building equipment;



- 6.3.3 Major repairs, overhauls, or rebuilding of equipment or buildings;
- 6.3.4 Acceptance of tenders for the continuous supply of a commodity or service for an extended period of one year or longer.
- 6.4 During the year, emergencies may occur which threaten the continued operation of any part of the school system (eg. facility emergencies, inclement weather). Administration may make expenditures up to a limit of \$5,000 in emergency situations even if the item was not in the original budget. In cases involving emergency expenditures greater than \$5,000, administration will report the expenditure to the Board, at the next possible meeting.
- 6.5 In such extenuating circumstances, proper level of approvals must be sought as soon as possible after dealing with the emergency. Communication with all appropriate levels is paramount during and after the emergency.

## 7.0 Competitive Procurement

- 7.1 All steps and processes for invitational competitive and open competitive procurements, as appropriate, are followed in the Broader Public Sector (BPS) Procurement Directive. The Broader Public Sector Procurement Directive is available in Appendix A and the [Finance section of our Administrative Procedures](#) section of our website.
- 7.2 All procurement documentation, as well as any other pertinent information must be retained for a period of seven years, and stored in archives with limited physical access. When destroyed, strict confidentiality must be maintained.

## 8.0 Preparation of Purchase Orders

- 8.1 An electronic spreadsheet version of the purchase order form is available for use. Purchase Orders must contain account codes, unit prices, extensions, and totals, using actual costs, or estimated costs when actual costs are not available. Once prepared, the purchase order (P.O.) must be signed by the appropriate authorized person and submitted to the Catholic Education Centre. A school office copy of the P.O. must be retained by the school or originating department.

- 8.2 Once received at the Catholic Education Centre, an appropriate approval authority will sign the purchase order and a P.O. number will be assigned by the purchasing department (the next available number from the official P.O. sequential log).
- 8.3 Administration will make one copy of the completed purchase order and distribute them as follows:
- 8.3.1 Yellow receiving copy - Forwarded back to the school or originating department with a P.O. number for matching items when received.
  - 8.3.2 White Accounts Payable original purchase order - Kept as the official document at the Catholic Education Centre. The P.O. is stamped, faxed or emailed to indicate how it is delivered to the supplier.
- 8.4 Access to purchase orders must be controlled. Blank purchase orders must never be signed for authorization, in advance.
- 8.5 Only in emergency situations must a P.O. number be requested over the phone. Instead, a signed and authorized copy of the P.O. can be faxed to the Catholic Education Centre to obtain board authorization. A phone call may be required to alert administration of the urgency of obtaining quick board authorization.

## 9.0 Receipt of Goods and Services

ITEM	DESCRIPTION
Goods Received	<p>The school Administrative Assistant or Principal is responsible for checking for damaged goods and counting to ensure the correct number of items have been received.</p> <p>The administrative assistant or budget holder will initial and date the packing slip, purchase order and/or invoice to evidence receipt of goods. Any discrepancies must be noted on the packing slip when goods are signed for receipt.</p>
Order Complete	If all goods are received and the P.O. is complete, the P.O. must be signed off and the yellow "receiving" copy sent into the Catholic Education Centre.

Partial Order	If only partial orders are received then a copy of the P.O. must be sent in, with indication of those items received.
No Packing Slip	If a packing slip or invoice is not supplied, the date of receipt and the initial of the person receiving the delivery must be shown on the "receiving" copy of the purchase order, or a copy of the "receiving" copy in the case of a partial order.
Invoice	Only in rare cases does the school receive an invoice. In these cases the invoice usually replaces the packing slip. The invoice must be sent into the Catholic Education Centre. If there is no packing slip the invoice must be initialed and dated, indicating receipt of goods.

## 10.0 Monitoring Purchases

- 10.1 The original school office copy of the P.O. can be used to monitor the status of the purchase through the regular school financial reports prepared by the Catholic Education Centre and distributed to the Principals/schools.
- 10.2 Once the yellow receiving copy of the P.O. is received at the school, it can be matched with original copies of P.O.'s retained by the school. Any original school office P.O.'s not yet matched with a yellow "receiving" copy, will indicate that the P.O. may not have been processed and assigned a P.O. number from the Catholic Education Centre or may not have been received back at the school yet. These unprocessed P.O.'s will still represent a commitment of school funds and must be considered before expending remaining school funds.
- 10.3 When a P.O. is entered into the board's accounting system, it will show up under the "Encumbrance" column of the financial report as a commitment of funds. This P.O. will remain under the encumbrance column until an invoice is received showing the actual costs to record in the accounts. As goods and invoices are received, the actual costs will be removed from the encumbrance column and placed in the Year To Date column. A P.O. number must be present in the transaction detail to reference against a purchase order. Any significant discrepancies between actual and estimated costs can be followed up with the supplier.

- 10.4 When reviewing the school financial reports, it is important to note that a number of components can distort what school budget funds remain. Firstly, there may be unprocessed purchase orders that are not yet recorded in the accounts. Secondly, there are a number of other purchases that do not involve a purchase order, inadvertently or otherwise. For instance, items may be ordered over the phone or by mail without providing a P.O. number. Still, other items may be picked up by staff members and reimbursed from petty cash or through a cheque requisition. There are a number of other transactions charged to the school accounts simply by invoice (eg. photocopier lease charges, maintenance service calls). Lastly, contingencies must be allowed for as emergency or special circumstances always occur later in the year, which are unplanned. All of these must be considered when reviewing the school budget accounts, to determine how much can be spent while protecting against a budget overrun.
- 10.5 There will be monthly reviews of school financial reports and expenditures by the Superintendents which may involve follow-up and discussion with school principals.
- 10.6 The Superintendents and Manager of Finance are responsible for the periodic review and audit of credit card transactions of principals and department managers to ensure adherence to board policies and the employee signed affirmation of "Use of Corporate Credit Card" policy. The results of the periodic reviews and audits shall be shared with the Audit Committee.
- 10.7 The Director of the Board and Manager of Finance are responsible for the periodic review and audit of credit card transactions of the Superintendents to ensure adherence to board policies and the employee signed affirmation of "Use of Corporate Credit Card" policy. The results of the periodic reviews and audits shall be shared with the Audit Committee.
- 10.8 The Director of the Board and Superintendents are responsible for the periodic review and audit of credit card transactions of the Manager of Finance to ensure adherence to board policies and the employee signed affirmation of "Use of Corporate Credit Card" policy. The results of the periodic reviews and audits shall be shared with the Audit Committee.
- 10.9 The Chair of the Board and Manager of Finance are responsible for the periodic review and audit of credit card transactions of the Director to ensure adherence to board policies and the employee signed affirmation of "Use of Corporate Credit

Card” policy. The results of the periodic reviews and audits shall be shared with the Audit Committee.

- 10.10 All school intended purchases must be approved by the principal prior to the purchase. Principals or designate must sign off on the receipt of the item.

## Appendix A - Broader Public Sector Procurement Directive

Ministry of Ontario's PDF document, *Broader Public Sector Procurement Directive*.  
[Broader Public Sector Procurement Directive](#)

## Appendix B - SUPPLY CHAIN CODE OF ETHICS (CODE)

The Code does not supersede codes of ethics that Organizations have in place, but supplements such codes with supply chain-specific standards of practice.

Organizations must formally adopt the Code in accordance with their governance processes. The policy intent is to establish that the conduct of all Members of an Organization involved with Supply Chain Activities must be in accordance with the Code.

The Code must be made available and visible to all Members of the Organization, as well as suppliers and other stakeholders involved with Supply Chain Activities.

### **Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics**

**Goal:** To ensure an ethical, professional and accountable Broader Public Sector supply chain.

#### **I. Personal Integrity and Professionalism**

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between Broader Public Sector organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

#### **II. Accountability and Transparency**

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

#### **III. Compliance and Continuous Improvement**

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals must continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.