

# ***SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY***

## **ADMINISTRATIVE POLICY**

**NUMBER: BA059**

**NAME: AUTHORIZATION OF PURCHASES**

INITIAL APPROVAL DATE:	03/30/1999	BY: SCCMHA Board
(LAST) REVISION DATE:	07/30/2024	BY: CFO
(LAST) REVIEW DATE:	08/15/2024	BY: Policy Committee
DISCONTINUED DATE:	N/A	REPLACED BY: N/A

### **I. PURPOSE**

### **II. APPLICATION**

Populations: **ALL**

Programs: **Direct - ALL**  
**Contracted - ALL**

### **III. POLICY**

The determination of agency needs for goods and services will be made by appropriate personnel and according to agency guidelines and policies.

### **IV. DEFINITIONS**

### **V. STANDARDS**

#### **A. Approval Requirements:**

1. All purchases will be approved by the Program Director, Supervisor or designee.
2. Purchase requests for an item or service up to \$10,000 will be approved by the CEO and/or CFO.
3. Purchase requests for an item or service over \$10,000 will be approved by the Mental Health Board.

#### **B. Recurring Costs:**

1. The need for services that are provided on a recurring basis by the same vendor, such as utilities, telephone, janitorial, professional services, insurance or rent, should be determined initially by authorized persons and, thereafter, provided continuously or not re-determined until the end of the contract period.

#### **C. Purchases without Approval:**

1. Purchases made without authorization may not be honored, and the Board will not be liable for reimbursement.

#### **D. Check payments:**

1. All checks require 2 signatures and shall be signed by the CEO and CFO of the Agency.
2. Blank checks should not be signed.
3. Checks should not be made out to "Cash".
4. Blank checks must be safeguarded and kept in a locked cabinet.

5. Documentation must be maintained to support all disbursements.

E. Allowability of Costs per 2 CFR Subpart E (200.403):

1. Costs must meet the following general criteria in order to be allowable.
  - a. Be necessary and reasonable for the performance and be allocable thereto under these principles. A cost is allocable to a federal award to the extent the goods or services benefited the program.
  - b. Conform to any limitations or exclusions set forth in these principles or in the Federal guidelines as to types or amount of cost items.
  - c. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the Agency.
  - d. Be provided consistent treatment. A cost may not be assigned as a direct cost if it has been assigned as an indirect cost.
  - e. Be determined in accordance with generally accepted accounting principles (GAAP)
  - f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306(b).
  - g. Be adequately documented if it is supported by accounting records and source documentation, such as purchase orders, vouchers, invoices, payroll allocation reports, payroll summaries, timesheets, etc.. See also §§ 200.300 through 200.309.
  - h. Cost must be incurred during the approved budget period. The Agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to § 200.308(e)(3).
  - i. The cost is determined to be reasonable if it does not exceed what a prudent person would incur under similar circumstances.

F. Space Cost: Cost for building space should be calculated on an annual basis by taking into consideration all costs for all buildings and dividing by number of square feet of building space used by each department and distributed proportionally.

VI. **ATTACHMENTS**  
VII. **REFERENCES**