

SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE POLICY

NUMBER: BA059

NAME: AUTHORIZATION OF PURCHASES

INITIAL APPROVAL DATE:	03/30/1999	BY: Sanilac CMH Board
(LAST) REVISION DATE:	02/13/2024	BY: CFO
(LAST) REVIEW DATE:	02/15/2024	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. Purchase requests from Petty Cash and/or the ACT Client Needs account will be approved by the responsible 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.
2. Blank Checks should not be signed.
3. Checks should not be made out to "Cash".

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

1. Costs must meet the following general criteria in order to be allowable under the federal award.
 - a. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
 - b. Conform to any limitations or exclusions set forth in these principles or in the Federal award 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 accorded consistent treatment. A cost may not be assigned as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated 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. See also §§ 200.300 through 200.309 of this part.
 - h. Cost must be incurred during the approved budget period. The Federal awarding 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).

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**