

I.c. Purchasing– Revised January 2017

1. The Executive Director is authorized to spend up to \$10,000 or delegate such expenditure as specified in the board-approved annual budget. For expenditures specified in the board-approved annual budget of over \$10,000, the Executive Director shall obtain board approval prior to purchase.
2. For unbudgeted expenses, the Executive Director is authorized to spend up to \$1,500 per occurrence, up to three (3) times per year, without prior Board of Directors approval.
3. For unbudgeted expenses over \$1,500, the Executive Director shall seek approval of the Board of Directors prior to expenditure.
4. For unbudgeted expenses, the Operations Manager is authorized to spend up to \$250 per occurrence, up to three (3) times per year, without prior Executive Director approval.
5. For unbudgeted expenses over \$250, the Operations Manager shall seek approval of the Executive Director prior to expenditure.
6. Within the above framework, purchases may be made by one of the following methods:
 - a. Check or other disbursement – see below,
 - b. Credit Card – see below,
 - c. Charge account – see below, or
 - d. Petty cash – see below.

Use of Checks or other forms of Disbursement

1. The intended use of checks is to pay vendor invoices and to pay for major purchases.
2. The Executive Director shall have signing authority on all checking and other accounts. In addition, up to three members of the Board of Directors shall have signing authority on the general checking, savings, and restricted savings accounts of the organization. The authorized signers shall be reviewed and approved by the board at the start of each year.
3. Disbursements made electronically to the United States Treasury for payment of payroll liabilities may be made by a single authorized signer via the IRS-approved secure website for this purpose.

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4. Disbursements may be made automatically via Auto Pay to the bank servicing Methow Recycles' credit cards for payment of the balance due.
5. All disbursements other than the electronic payment to the U.S. Treasury and credit card Auto Pay shall require two signatures from approved account signers.
6. Blank checks shall be stored in a locked filing cabinet.
7. All voided checks shall be defaced and retained.
8. No checks shall be written to "cash" or "bearer."
9. When using checks to pay invoices:
 - a. The Executive Director or the Director's designee shall approve all invoices and mark as approved with either a signature or initials and a date.
 - b. The Executive Director or the Director's designee shall prepare all checks for payment and enter them into Quickbooks, ensuring that the appropriate invoice or other documentation is present and filed appropriately.
10. At least once a quarter, the Treasurer or designated member of the finance committee shall review checks, other disbursements (including all back up documentation), and bank statements for the preceding quarter. The reviewer shall sign/initial and date the bank statements to indicate that a review has been made and no concerns are noted. Should the reviewer uncover any discrepancies, he/she shall immediately bring these to the attention of the Executive Director, the Finance Committee, or the Executive/Governance Committee as appropriate.

Use of Credit Card

1. The intended use of credit cards is small purchases only, generally \$500 or less per transaction.
2. The Executive Director shall obtain and maintain a credit card account for Methow Recycles' business.
3. The Executive Director and the Operations Manager are both authorized to hold and use credit cards on behalf of Methow Recycles.
4. Credit cards shall not be used for cash advances for any reason, and shall not be granted ATM access.

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5. Card credit limits shall not exceed \$5,000 for the Executive Director and \$2,000 for the Operations Manager.
6. Supporting documentation (sales receipt, order confirmation, or similar) is required for all charges and shall be submitted promptly (within seven days of purchase) to the Executive Director.
7. The Executive Director shall ensure that all credit card bills are paid in full each month and that supporting documentation, including an explanation of charges, is filed for all transactions.

Use of Charge Account

1. The intended use of charge accounts is for incidental purchases only, generally amounts between \$10 and \$100.
2. Methow Recycles maintains charge accounts with several vendors for the convenience of staff, Board, and volunteers. The Executive Director may establish or cancel charge accounts without prior Board approval.
3. Paid staff and board members are authorized to use these accounts without prior Executive Director approval.
4. Volunteers are authorized to use these accounts with prior Executive Director or Operations Manager approval.
5. Supporting documentation (sales receipt, order confirmation, or similar) is required for all charges and shall be submitted promptly (within seven days of purchase) to the Executive Director.
6. The Executive Director shall ensure that all charge account bills are paid in full each month and that supporting documentation, including an explanation of charges, is filed for all transactions.

Use of Petty Cash

1. The intended use of petty cash is for incidental purchases, generally under \$10, and for providing change to Methow Recycles customers.
2. Petty cash shall be kept in a locked cash box, with access to the key permitted for all paid staff.
3. The petty cash fund balance shall not exceed \$70.

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4. Petty cash disbursements are limited to \$50.
5. Petty cash may be used to provide change for a customer wishing to make a donation. The donation shall be placed into the outside donation box, not petty cash.
6. All disbursements from petty cash shall be logged in the register kept in the petty cash box. Log entries shall list the date, retail payee, purpose of the disbursement, and amount.
7. Receipts for all goods or services purchased with petty cash shall be kept in the register and all receipts shall be initialed by the employee making the purchase or disbursement.
8. The Executive Director shall reconcile the petty cash fund quarterly.
9. The Treasurer shall audit petty cash records at least annually.
10. The Executive Director shall fund petty cash via a check to Methow Recycles' bank and record the transaction in the petty cash register.
11. The Executive Director shall reimburse petty cash when the cash balance falls below \$20.

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