

## **PURCHASING AND AUTHORIZATION**

**Relative Information:** All District purchases and procedures shall be authorized and followed to ensure accountability with public funds. The member making the purchase is responsible to obtain authorization and comply with this policy. The following are the types of purchases typically made:

1. Routine purchases including operational support assignments/project purchases.
2. Purchases requiring Board approval.

The District utilizes a variety of methods for purchasing such as accounts with vendors, credit cards, cash cards, and petty cash. Each method has a spending and approval process that complies with the District's internal controls.

Purchasing authority is defined as follows:

1. Battalion Chiefs have authorization to make budgeted purchases and approve those expenditures made by themselves, or members reporting to them who have support assignments, up to \$2,000. All non-budgeted expenditures or those budgeted expenditures over \$2,000 require authorization from the Deputy Chief of Operations.
2. Division and Deputy Chiefs have authorization to make budgeted purchases and approve those expenditures up to \$10,000. Expenditures over \$10,000 require authorization from the Fire Chief.
3. The Fire Chief has authorization to make budgeted expenditures and approve those expenditures up to \$75,000.
4. All expenditures made receive a second approval by the Chief Finance Officer, including those made by the Fire Chief.
  - a. All expenditures made by the Chief Finance Officer must be approved by the Fire Chief.
5. Those persons who have purchasing authority as defined above are responsible for working within their budgetary allocations. If overspending in line-item accounts is anticipated to occur, the Fire Chief should be consulted prior to the shortfall.
6. All contracts under \$5,000 are permitted and authorized by those who have been assigned budgetary responsibilities; however those lasting in duration over one year must be approved and signed by the Chief Finance Officer or the Fire Chief.
  - a. All contracts \$5,000 and over must be approved and signed by the Fire Chief.
  - b. All contracts must be routed to Finance for execution and filing.

Expenditures that require Board authorization and a motion to approve are as follows:

1. Any expenditure exceeding \$75,000.
2. Construction projects exceeding \$50,000 (the BOLI threshold for contracts that require prevailing wage rates).
3. Any real estate transaction.
4. Expenditures that require an Operating Contingency transfer.
5. Any other expenditure the Fire Chief refers to the Board.

**Policy Statement:** It is the policy of the Board of Directors to establish procedures for expenditure authorization and to ensure District expenditures are made in accordance with the adopted budget.