



## PURCHASING & BILL PAYMENT

### *Definitions*

Management: Fire Chiefs, Treasurer/Secretary

Emergency Expenditure: Unexpected purchases and/or labor that are necessary to keep the district operational AND that cause a specific expense category to exceed the adopted budget.

Ratification: Approval after the fact.

### POLICY

It is the Policy of PRCSO to ensure that all purchases and bill payments are conducted in a transparent manner to prevent fraud. PRCSO's minimal staffing makes the separation of duties found in larger organizations unattainable.

### ADMINISTRATION

The annual budget adoption by the Board of Directors provides the authorization for management to purchase equipment and supplies necessary for the operation of the district.

The Fire Chiefs are granted the authority to re-allocate funds within their department's budget categories. The treasurer shall be notified of re-allocations and the treasurer shall inform the board at the next regular meeting. Such re-allocations do NOT require adoption of a formal budget amendment. The Chiefs are authorized to draw on their department's reserve accounts, but must ask for board approval if the expenditure is outside of the adopted budget.

The district treasurer is responsible for paying bills in a timely manner but shall not be a signor on any of the district's bank accounts. A minimum of three district directors shall be signors on the district's bank accounts. The district treasurer is authorized to transfer funds between bank accounts.



## PURCHASING & BILL PAYMENT

### PROCEDURES

#### 1. Purchasing

Management shall verify that all expenditures are within the scope of the adopted budget.

Purchases may be made by the Treasurer, Fire Chiefs or individuals delegated by management for specific purchases.

Credit Cards shall be issued to the Fire Chiefs with a credit limit of \$1,000. Credit card charges over \$1,000 must be made on the District Credit Card via the Treasurer.

Receipts for all purchases shall be turned-in to the Treasurer on a monthly basis with a notation explaining what they are for (if it is not obvious).

Expenditures for Public Works projects defined as construction, alteration, demolition, installation or repair work paid for in whole or in part by public funds shall conform with Policy #2550 "Contracts".

#### 2. Emergency expenditures

The Fire Chiefs are authorized to make emergency expenditures deemed necessary for the continued operation of the fire department not to exceed \$5,000. The Treasurer shall be notified as-soon-as-possible of the emergency. The treasurer shall notify the President. The expense shall be brought before the Board at the next regular meeting for ratification as-well-as, identification of how the expense shall be covered (for example: budget re-allocation or the use of existing funds).

For emergency expenditures in excess of \$5,000 an emergency meeting shall be called for advance approval if possible. If it is not possible to hold an emergency meeting the Treasurer shall be consulted to identify potential sources of the needed funding. The treasurer or Fire Chief shall apprise the President or Vice President in the absence of the President of the situation.



## PURCHASING & BILL PAYMENT

### PROCEDURES CONTINUED

#### 3. Bill Payment

All bill payments must be matched to an invoice or hand-written receipt. The Treasurer shall write the check number and date of payment on each invoice at the time of payment or staple the check stub to the invoice.

Checks written over the amount of \$1,000 shall require two signatures.

#### 4. Record Keeping

All bookkeeping documentation shall be filed by month and kept for a period of seven years after it is audited. After seven years the documents should be destroyed. The exception is financial documentation related to projects funded by the State or other government agencies; these records must be retained per the terms of the funding agreement.