

## **Procurement Policy**

*Version 5.2 / Last Amended 12/4/2022*

### I. Overview

- A. All contractual obligations including purchase and sponsorship commitments made on behalf of the organization require approval prior to commitment to third-party vendors.
- B. Unless specifically authorized to do so pursuant to the Procurement Policy, no individual has actual or apparent authority to incur expenses on behalf of the organization, pledge the organization's credit, render the organization liable, or in any way legally or financially obligate the organization to a third-party. Any such negotiations are unauthorized and will result in the individual having a personal obligation to the third-party.
- C. All donations and sponsorships to the organization are bound by the NAIGC Gift Acceptance Policy.
- D. The Treasurer shall be responsible for enforcing the purchasing portion of this policy. The Treasurer shall be required to withhold cash disbursement in the event that proper approval has not been obtained.
- E. The Finance Committee shall be responsible for enforcing the Sponsorships, Vendors, and Contracts portions of this policy.

### II. Purchases

- A. Purchases under \$100 and made by an NAIGC Board Member or Operations Specialist in good faith for ordinary and necessary business expenses can be made without prior approval.
  - 1. The Treasurer or Operations Leadership Team Members shall have the authority to determine whether such purchases shall be reimbursed.
  - 2. Purchases made without prior approval from the Treasurer are not guaranteed reimbursement.
- B. The Operations Leadership Team shall have the authority to approve a requisition up to \$1,000.
  - 1. Any such request must be approved in writing.
  - 2. In the event that the Executive Director or Department Heads submit the requisition, the Finance Committee or President must serve to approve the expense.
  - 3. The Treasurer has the authority to elevate approval to the Finance Committee before making an OLT approved purchase.
- C. The President shall have the authority to approve a requisition up to \$5,000. Any requisition exceeding \$5,000 shall require approval from the Finance Committee or the full NAIGC Board.
  - 1. Any such request must be approved in writing.
  - 2. In the event that the President submits the requisition, the Finance Committee must serve to approve the expense.
  - 3. In the event that the President is not able to respond in a timely manner to a purchase request, or in emergency situations, the Treasurer may fulfill the

President's duties in approving a requisition. However, in no case may an Officer approve their own requisition. If the situation warrants, an Officer can submit a request for approval less than or equal to \$5,000 to the Finance Committee or the full NAIGC Board.

- D. The Finance Committee shall have the authority to approve a requisition up to \$10,000. Any requisition exceeding \$10,000 shall require approval from the full NAIGC Board of Directors.
  - 1. Any such request must be approved in writing.
  - 2. In the event that the Finance Committee submits the requisition, the Board must serve to approve the expense.
- E. Items approved by the Finance Committee's Annual Budget do not need further approval unless one or more of the following applies
  - 1. If the actual cost is greater than \$5,000.
  - 2. If the actual cost is more than 10% greater than the budgeted cost.

### III. Sponsorships and Vendors

- A. Any sponsorship or vendor contract of any value that may be reasonably perceived as contentious or misaligned with NAIGC core values shall require approval from the full NAIGC Board.
- B. The Fundraising Team shall have the power to approve sponsorships and vendor agreements less than or equal to \$5,000 (money, goods, or services) or involves less than \$500 in liability to the NAIGC. The Fundraising Team Lead is responsible for notifying the Board and Operations Leadership Team in a timely manner after such agreements are confirmed.
- C. Any sponsorship or vendor contract exceeding \$5,000 (money, goods, or services) or involves more than \$500 in liability to the NAIGC shall require approval from the full NAIGC Board.
- D. Corporate Sponsorships: The NAIGC is free to enter into agreements for corporate sponsorships. In negotiating and reviewing any corporate sponsorship agreement, the Board or its designated committee or team must take the following factors into consideration:
  - 1. Whether the terms of the agreement are consistent with the image and mission of the NAIGC;
  - 2. Whether the terms of the agreement are consistent with the NAIGC's 501(c)(3) tax-exempt and non-profit statuses;
  - 3. Whether the terms of the agreement are consistent with the well-being of the NAIGC's membership;
  - 4. The likelihood that the agreement will generate unrelated business taxable income;
  - 5. The sponsoring organization's reputation and public image; and
  - 6. The ramifications of choosing sides in the context of a competitive business environment.

### IV. Contracts

- A. The President has the power to approve any contract for which the maximum potential liability to the NAIGC is up to \$5,000. Any other contracts which potentially legally obligate the NAIGC to more than \$5,000 shall require approval from the Finance Committee or the full NAIGC Board.
  - 1. Any such request must be approved in writing.
  - 2. In the event that the President submits the request for approval, the Finance Committee must serve to approve the contract.
  - 3. In the event that the President is not able to respond in a timely manner to an approval request, or in emergency situations, the remaining Officers may fulfill the President's duties in approving a contract. However, in no case may an Officer approve their own request. If the situation warrants, an Officer can submit a request for approval less than or equal to \$5,000 to the NAIGC Board .
- B. The Finance Committee has the power to approve any contract for which the maximum potential liability to the NAIGC is up to \$10,000. Any other contracts which potentially legally obligate the NAIGC to more than \$10,000 shall require approval from the full NAIGC Board.
  - 1. Any such request must be approved in writing.
  - 2. In the event that the Finance Committee submits the request for approval, the full NAIGC Board must serve to approve the contract.
- C. Signatory Power
  - 1. The President, or in emergency situations, the remaining Officers shall have the authority to sign approved, legally binding contracts pursuant to clause IV.A.
  - 2. The Fundraising Team Lead shall have the authority to sign approved, legally binding vendor and sponsorship contracts less than or equal to \$5,000 pursuant to clauses III.A and III.B.
  - 3. The President may expressly grant additional signatory power in individual instances.
- D. Any contract with the NAIGC should contain the following clauses:
  - 1. Process for rectifying breach of contract
  - 2. Consequences for non-fulfilled agreement
  - 3. Details and timeline for commitments
  - 4. Indemnification
  - 5. Severability
  - 6. Force Majeure
- E. Review and Approval Process
  - 1. All contracts which require approval from the full NAIGC Board must be shared with the Board and a reasonable period given for Board review.
  - 2. If the spirit of the contract is approved by the Board, the President may appoint a small group to continue negotiating the final details of the contract on behalf of the Board. If the final contract increases by 10% or more, another vote must take place to approve the contract.
  - 3. If the contract is not approved for any reason, the relevant parties may continue negotiating and a future version may be submitted to the Board.

4. In all cases the finalized contract must be made available to the Board when signed.

V. Amendments

- A. This document may be amended by the NAIGC Board.