



Messiah Lutheran Church

Evangelical Lutheran Church in America

Non-Budgeted Purchasing Policy

Purpose

This policy seeks to clarify how non-budgeted purchases are made by either the Congregation Council or the Congregation, in order to reach three objectives:

- To assure the prudent and economical use of congregation moneys in the best interests of the members of Messiah Lutheran Church, our friends, neighbors and local community;
- To facilitate the timely acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances; and
- To guard against favoritism, nepotism, improvidence, extravagance, fraud and corruption.

Relevant Documents

As stated in C12.05b of the *Constitution, Bylaws and Continuing Resolutions of the Evangelical Lutheran Church of the Messiah*,

“The Congregation Council shall not have the authority to buy, sell, or encumber real property unless specifically authorized to do so by a meeting of the congregation.”

As stated in C12.05c of the *Constitution, Bylaws and Continuing Resolutions of the Evangelical Lutheran Church of the Messiah*,

“The Congregation Council may enter into contracts of up to one tenth of the previous years’ expense contributions for items not included in the budget.”

As vested in a properly called and conducted Meeting of the Congregation, C5.03g of the *Constitution, Bylaws and Continuing Resolutions of the Evangelical Lutheran Church of the Messiah* states it is within the power of the congregation to,

“acquire real and personal property by gift, devise, purchase, or other lawful means.”

Purchasing Process

Before any non-budgeted purchase is made or before any debt is acquired, a report shall be given before the Congregation Council on what actions have been taken to determine the best price and product or service to be purchased. The Secretary of the congregation shall briefly document the report in the council minutes or shall attach a written report submitted by the relevant Committee Chair or Organization Leader making the request.

In cases where bids have been awarded to recipients other than the lowest bidder, even those cases where informal bids have been accepted, the Council shall document the justification for such a choice, setting forth the reasons such an award furthers the goals of this policy and the ministries of Messiah Lutheran Church.

In cases where a non-budgeted purchase is in excess of "one tenth of the previous years' expense contributions," when the congregation must enter into debt to make a non-budgeted purchase, or when it is otherwise deemed prudent to put a purchase before the entire Congregation, the President of the Congregation or the Pastor shall draft a resolution to be put forward at a Meeting of the Congregation properly called and conducted in accordance with the *Constitution, Bylaws and Continuing Resolutions of the Evangelical Lutheran Church of the Messiah*.

Funding Process

The Congregation Council, with the advice of the requesting committee or organization, is responsible for determining how a non-budgeted purchase will be funded.

In cases where it is deemed a Special Appeal Campaign is needed, the Congregation Council is responsible for appointing a Campaign Chair and determining when a Special Appeal Campaign is completed.

When it is deemed prudent to put a Capital Appeal Campaign before the entire Congregation, the President of the Congregation or the Pastor shall draft a resolution to be put forward at a Meeting of the Congregation properly called and conducted in accordance with *Constitution, Bylaws and Continuing Resolutions of the Evangelical Lutheran Church of the Messiah*.

In cases where a new Temporarily Restricted Fund is needed, the Congregation Council is responsible for amending Messiah's *Unrestricted & Restricted Fund Handling Policy & Index*.

Bidding Process

Reports to the Congregation Council requesting a non-budgeted purchase must include documentation of the bidding process. When a sufficient number of qualified vendors or suppliers are available, the following shall serve as a minimum number of quotations necessary for any purchase or contract:

Estimated Amount of Purchase Contract

\$0.00 - \$499.99
\$500.00 - \$999.99
\$1,000.00 - \$4,999.99
\$5,000 and over

Number of Quotations Needed

None.
Two verbal quotations.
Three written/ fax/ electronic quotations.
Three written/ fax/ electronic quotations with an in-depth review.

All bidders shall provide evidence of necessary insurance and certifications as required by law.

If a verbal quote is accepted, a written contract must be submitted by the business/ vendor before work commences.

All bids shall be sealed by members of the responsible committee or organization until the time when all bids shall be opened together.

Whenever possible, practical, feasible and consistent with open competitive bidding, the responsible committee or organization shall solicit quotations from local businesses or vendors from within New York State.

Whenever possible, practical, feasible and consistent with open competitive bidding, the responsible committee or organization shall develop purchase specifications and solicit quotations in line with the Evangelical Lutheran Church in America's teaching about caring for God's creation (in other words socially, economical and environmentally sustainable practices).

A sole source vendor is a company or person who sells a product or service that meets unique needs and is the one and only source for a product or service. In rare instances when the services of a sole source vendor is needed (and the bidding process otherwise outlined in this policy cannot be followed), and two-thirds super majority vote of the Congregation Council is required for approval of the purchase. Justification for using the sole source vendor must be noted by the Secretary in the council minutes and must be forwarded to the Budget and Finance Committee for review.

A preferred vendor is a company or person who Messiah has utilized in recent years repeatedly and through which a strong business relationship has developed (i.e. seal coaters, arborists, plumbers, etc.) The Property Committee shall maintain a list of preferred vendors to be reviewed by the Congregation Council on an annual basis in February. In cases when a preferred vendor's services are needed, and the total cost of a service is under \$2,500, a two-thirds super majority vote of the Congregation Council can approve the purchase without pursuing the regular bidding process. Justification for using the preferred vendor must be noted by the Secretary in the council minutes and must be forwarded to the Budget and Finance Committee for review.