LEGACY BRISBANE POLICY

Purchasing Policy

Policy number: **FIN-006**

Effective date: **13/03/2023**

Approving authority: **CEO**

Sponsor: **Finance Manager**

Web address: **www.legateeguide.org.au**

Date for review: **13/03/2026**

Version History

Date	**Description of Change**	**Version**
20/09/2019	Initial release	1
6/11/2019	Update to include Delegations, minor wording amendment	1.1
10/03/2023	Revision of Delegations in association with *Client Financial Assistance Policy*	1.2

Purpose	The purpose is to establish the principles and governance framework that will guide the purchasing of all goods and services by Legacy Brisbane.
Policy Statement	Sound financial management is critical to the survival and ability of Legacy Brisbane to fulfil our charter, achieve our goals and meet regulatory requirements. Sustainable purchasing is an essential part of that sound financial management.
Who should read, understand and comply with this policy	Board of Directors, Group Chairs, Legatees and staff.
Scope	Applies to purchasing of all goods and services by Legacy Brisbane, including service delivery, fundraising and corporate services.
Definitions	**Asset** – Any item owned or controlled by the Legacy, and of economic value, with an expected useful life of 12 months or more. An asset can be physical or tangible (e.g. land, buildings, plant, equipment, motor vehicles, and works of art) or intangible (e.g. computer software, trademarks, and patents). **Conflict of interest** – A conflict of interest occurs when personal interests conflict with the responsibility to act in the best interests of Legacy Brisbane. Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with, or have an interest in (for example, as a shareholder). The definition includes a conflict between the duty to Legacy Brisbane and a duty owed by a Board Member, Manager, Staff Member or Legatee to another charity, business or person. A conflict of interest may be actual, potential or perceived, and may be financial or non-financial. These situations present the risk that an affected person decides a matter based upon or affected by, these influences, rather than in the best interests of the Legacy Brisbane and must be managed accordingly. **Legacy Brisbane representative** – Any Board member, Legatee, employee, contractor or volunteer involved in representing Legacy Brisbane's interest in a particular situation or decision making process. **Related party transaction** – a transfer of resources, services or obligations between Brisbane Legacy and: a) A member of the Legacy Brisbane Board b) CEO c) Senior Management team d) A spouse, parent, child, step-child or dependant of the Legacy Brisbane Board, CEO, Senior Management team or Group Chair e) An entity controlled by, jointly controlled by or significantly influenced by any of a) to d) above f) An entity of which its key management personnel includes any of a) to d) above

g) Legacy Australia Inc.

Purchasing – the commercial acquisition of goods or services, whether by purchase, lease, other financing arrangement or hire.

Policy

Principles underpinning this policy are:

- Legacy Brisbane's service delivery, fundraising and corporate services should be delivered within operating budget to ensure current and future organisational capability and sustainability through sound financial management.
- Legacy Brisbane's financial Delegations of Authority are included in the *Board Handbook* (Cl 4.11) and reviewed as necessary by the Finance and Sustainability Committee.
- Select the option that provides best value for money in terms of life cycle cost, fit for purpose, quality and service.
- Ensure decisions are transparent, defensible, documented and observe high standards of integrity.
- Comply with Legacy Brisbane Code of Conduct, other applicable Legacy Brisbane policies and procedures, as well as all relevant laws, regulations and contracts.
- Any actual, potential or perceived conflicts of interest, particularly those involving related parties, are to be identified, disclosed and appropriately managed in line with the Legacy Brisbane Conflict of Interest and Related Party Policy.
- Promote the efficient, effective and ethical use of Legacy Brisbane resources.

Value for money is not restricted to price alone. Other factors to consider include:

- Cost-related factors including up-front price, whole-of-life costs and transaction costs associated with acquisition, use, holding, maintenance and disposal; and
- Non-cost factors such as fitness for purpose, quality, availability, delivery, service and support, ethics and sustainability considerations.

Before purchasing consider if the expenditure is necessary and if there are any better alternatives for example, reuse, recycling or hire of the goods/services.

Quotation Requirements

*Expected Cost**	*Requirements*
Up to $200	Keep receipts.
$200 - $2,000	1 written quote minimum. Document purpose of purchase.
$2,001 - $7,000	2 written quotes minimum. Document purpose of purchase, alternatives considered, cost benefit analysis (if possible), selection and reason for choice.
$7,001 - $70,000	3 written quotes minimum. Document purpose of purchase, cost benefit analysis, selection, and reason for choice.

*Expected Cost**	*Requirements*
Over $70,000	3 written quotes minimum against the formal written criteria which has been provided to potential suppliers. Formal criteria for the purchase to be agreed to by a minimum of CEO and Department Manager. Document cost benefit analysis, selection and reason for choice.

** expected cost of purchase or cost over the contract lifespan for services.*

In no circumstances should a purchase be broken into components to circumvent these requirements.

CEO approval is required to go outside these quotation requirements. The request to avoid the quotation requirements needs to include justification exemption and what can be achieved, e.g. if a repair is required, within 24 hours multiple verbal or email quotes can be obtained. Consider if a short term alternative solution or acceptance of risk can be used until quotes can be obtained. This documentation needs to be submitted with the payment request \ credit card statement.

Multi-Year Contracts

All multi-year contracts or agreements need to be referred to the CEO with sign off being:

Length of contract	*Within current budget scope**	*Within CEO delegation*	*Approval by*
< 5 years	Yes	Yes	CEO
< 5 years	No	Yes	CEO and Treasurer
< 5 years	Yes or No	No	2 Directors or Company Secretary and 1 Director And formally recorded and reported to Board
5 years or more	Yes or No	Yes or No	Board approval

* *Something is within current budget scope if the services (goods) are currently budgeted for, if however the scope of the services are expanded in the new contract compared to what is currently in the approved budget then it will be outside current budget scope.*

Recurrent Purchases

For recurrent purchases, or category of purchase within a department, there should be either a contract, guidelines or policy in place; for example:

- An approved contract for web hosting.
- Guidelines of appropriate amount for gifts for widows / dependants.
- Approved standard stationery item list.

Legacy Brisbane merchandise is held as inventory for the purpose of sale for fundraising. Inventory need to be purchased in line with requirements set in the Legacy Brisbane Brand Usage Policy and related agreements with Legacy Australia Inc.

Specific additional guidance

The following Legacy Brisbane policies which provide additional guidance on particular types of purchases also need to be adhered to.

Asset Policy

Motor Vehicle Policy

Travel Policy

Client Financial Assistance Policy

Engaging Tradespeople

Before engaging tradespeople ensure that:

- They are appropriately licensed;
- They hold appropriate liability insurance; and
- Where applicable that they have read the asbestos management plan (Legacy House Brisbane).

Payment

Payment will be made as appropriate by:

- Petty Cash – minor expenditure under the Legacy Brisbane Petty Cash Procedure.
- Imprest (Cheque) account - including the use of a debit card under the Legacy Brisbane Imprest (Cheque) Account Procedure.
- Corporate Credit card - under the Legacy Brisbane Credit Card Use Policy
- Accounts Payable – use the Legacy Brisbane Payment Request Form. Includes reimbursement of personal expenditure when approved or within authorised financial delegation.
- Direct Debit from Legacy Brisbane working account or corporate credit card, in accordance with the associated (purchase) contract. The direct debit agreement specified will need to be authorised in accordance with the Legacy Brisbane Delegations funds transfer requirements.
- Lease \ chattel mortgage \ asset use agreement – any financing arrangements will require Board approval following recommendation from the Finance Manager.
- Hire \ short term rental – payment will be via accounts payable or corporate credit card.

Approved quotes need to be attached to payment requests \ credit card statements \ financing or hire documentation. If CEO approval was granted to go outside the quotation requirements then, the CEO approval and the justification for not following policy needs to be attached in lieu.

Responsibilities

The ***authorised purchaser*** is responsible for:

Prior to purchase

- Confirm prior to committing Legacy Brisbane to the purchase, that the intended purchase falls within their delegated authority per the Board Delegations of Authority.

- Confirm that the purchase is needed to deliver Legacy Brisbane's mission.
- Consider alternatives including reuse, repurpose or recycle.
- Ensure purchase will be value for money for Legacy Brisbane.
- Follow quotation requirements and keep documentation.
- Ensure tradespeople engaged are appropriately licensed, insured and if appropriate, have read the Asbestos management plan.
- Seek pre-approval from CEO for any exceptions to this policy.
- Adhere to Legacy Brisbane Authorised Delegations (refer Appendix 2) and other applicable policies and procedures.
- Provide the original ongoing contract, and if applicable direct debit agreement to Executive Assistant to enter into contract register.
- Provide an electronic copy of the ongoing contract to Finance.

Post purchase

- Confirm invoice is in accordance with contract, addressed to Legacy Brisbane, itemised and is a valid tax invoice.
- Approve tax invoice and arrange payment (attaching approved quote).
- Manage contract ensuring that terms and conditions are adhered to.
- Review contract performance, value for money and alternatives, annually.
- Do not allow contracts to "rollover" or extend by default without review.

The ***Executive Assistant*** is responsible for:

- Maintaining the contract register.
- Retain original ongoing contracts and direct debit agreements.
- Monitor contract register for expiry / renewal dates.
- Advise Management team at least 30 days prior to renewal / expiry and implications of that date.
- Source quotes and make recommendations on administration contracts as requested.
- Maintain approved item list for stationery and central supplies.
- Oversee stationery and central supplies stock levels and orders.
- Process non-standard stationery and central supplies item orders only after receiving specific justification and approval.

The ***Finance Manager*** or delegate is responsible for:

- Checking approved invoices against relevant contract / approved quote and challenging if necessary.
- Checking that the ABN is valid and GST is correct.
- Maintaining a register of approved authorization requirements for regular operating expenses.
- Ensuring payment procedures and policies are followed.
- Paying invoices.
- Provide expenditure reporting.
- Foster review of top 25 suppliers (based on spend) on an annual basis.

Non-compliance with this policy may cost Legacy Brisbane an opportunity to achieve its goals, comply with regulations and for the individual(s) result in disciplinary action.

Procedures The Legacy Brisbane purchasing process is:

Identify need

Consider alternatives

- Is this expenditure necessary?
- Is there an alternative – an efficient work around, reuse \ recycle, rent \ hire?

Identify criteria and approximate cost

- What are the specifications needed?
- When is it needed and for how long?
- Where is it needed?
- What does it need to interact with?
- Is there budget available?

Obtain Quotes

- Follow quotation requirements.

Make selection and gain approval (including per delegations)

- Document choice and reason
- Contract put in place
- When engaging tradespeople ensure that they are appropriately licensed and insured

Purchase

Confirm item / service meets terms and price agreed

Arrange payment

- Follow applicable payment procedure \ policy.
- Promptly give approved payment request \ credit card statement with approved quote and tax invoice attached to Finance.

Review purchase against criteria

Evaluation and review	Evaluation and review of this policy will be conducted by the CEO and the policy sponsor each three years. Following review, recommendations for change will be forwarded to the approving authority. This policy should be reviewed before that time if there are material changes to the legislation and regulations governing Legacy Brisbane and / or changes to the delegations approved by the Board.
References and linkages	Legacy Brisbane Code of Conduct The Constitution of the Legacy Club of Brisbane Limited *Australian Charities and Not-for-profit Commission Act 2012 (*Cth*)* Australian Charities and Not for Profits Commission Governance Standard 5: Duties of Responsible Persons Legacy Brisbane Board Handbook Legacy Brisbane Delegations (Refer Appendix 2) Legacy Brisbane Conflict of Interest & Related Party policy Legacy Brisbane Corporate Credit Card policy Legacy Brisbane Petty Cash procedure Legacy Brisbane Payment Request Form Legacy Brisbane Asset Policy Legacy Brisbane Travel Policy Legacy Brisbane Motor Vehicle Policy Legacy Brisbane Client Financial Assistance Policy

APPENDIX 1 Requirements of a Valid Tax Invoice

Under $75 excluding GST	Over $75 to $1,000 (incl GST)	Over $1,000 (incl GST)
No tax invoice required, just need to be able to substantiate payment (e.g. credit card statement, receipt) and for there to be a reasonable assumption that GST was included in the price *NB It is still strongly preferred that a tax invoice is obtained*	• Clearly show the words "Tax Invoice" • Supplier's name • Supplier's ABN • Issue date of the tax invoice • Brief description of the supplies • GST inclusive price • If the GST is 1/11th of the total price, either indicate total includes GST or show the amount of GST *Legacy Brisbane also requires that the invoice is addressed to Legacy Brisbane where the goods or services are provided to Legacy Brisbane.*	• Clearly show the words "Tax Invoice" • Supplier's name • Supplier's ABN • Issue date of the tax invoice • Brief description of the supplies • GST inclusive price • If the GST is 1/11th of the total price, either indicate total includes GST or show the amount of GST. • Name of the recipient – that is Legacy Brisbane • ABN of Legacy Brisbane 51 157 994 951

N.B. Where an invoice is being paid as part of Financial Assistance for a dependant the tax invoice may correctly be addressed to the dependant.

APPENDIX 2 Approved Delegations (extract of Board Handbook)

4.11 Delegations

4.11.1 The Chief Executive Officer is charged with the duty to provide leadership and manage Legacy Brisbane in accordance with the strategic policies and programs approved by the Board.

Managers and Group Chairs act on behalf of Legacy Brisbane with service providers and Legacy dependants.

To facilitate the operations of Legacy Brisbane, the Board has delegated its authority in accordance with the following table and sub-clauses 4.12-4.15:

Activity Area	Description	Type of limit	CEO	Delegated position	Sub-delegates	Unbudgeted
Corporate and executive services	Individual invoices	Dollar value	< $50,000	Finance Manager; P&CM <$2,500	EA < $200	
Corporate and executive services	Total project value	Dollar value	< $50,000	Finance Manager; P&CM <$2,500	None	
Corporate and executive services	Capital purchases not funded by a grant	Dollar value	< $50,000	Finance Manager <$2,500	None	CEO < + $10,000
Corporate and executive services	Disposal of bequest assets (incl. real property)	Dollar value	$10,000 or 3%, below valuation	Finance Manager as per CEO	None	N/A
All departments	Execution of service agreements and operating leases	Term & Dollar value	5 years; < 5% increase item's current annual budget	Managers <1 year; <$2,500; Head FRMC only: use of Legacy logo	None	CEO < $10,000 total contract value
All departments	Execution of local business or local government agreements/ grant applications or with Legacy public liability COC	Term & Dollar value	5 years; <$50,000	Managers & Group Chairs <1year and/or <$2,500; No use of Legacy logo (Head FRMC only)	None	N/A
Fundraising, Marketing and Comms	Operational and per budgeted item/ event	Dollar value	< $50,000; Gala Dinner <$150,000	Head FRMC <$10,000 Group Chair $500	Event Co-ord <$500; FR Staff <$200	CEO < + $10,000
Fundraising, Marketing and Comms	Accumulated expenses for a specific budgeted fundraising event or project	Dollar value	< $75,000; Badge Week < $120,000; Gala Dinner <$270,000	Head FRMC <$20,000 Badge Week <$30,000 Gala Dinner <$40,000 Group Chair $1,000	Event Co- Co-ordinator < $2,000; FR Staff <$200	CEO < +$10,000

Activity Area	Description	Type of limit	CEO	Delegated position	Sub- delegates	Unbudgeted
Fundraising, Marketing and Comms	Capital purchases not funded by a grant	Dollar value	< $50,000	Head FRMC <$15,000	None	CEO < + $10,000
Community Services	Operational and program expenses per budgeted item/ event	Dollar value	< $50,000	CSM < $5,000	Event Co-ordinator <$500; CS Staff <$200	CEO < + $10,000
Community Services	Accumulated expenses for a specific budgeted budgeted event	Dollar value	< $50,000	CSM < $20,000	Event Co-ordinator <$2,000; CS Staff <$200	CEO < + $10,000
Community Services	Dependant assistance per payment (excl. youth education grants)	Dollar value	< $5,000	CSM < $2,000 (+$3,000 with CEO) Group Chairs < $500 (+$1,500 with CSM)	CS Staff and Legatees <$200 (+$300 with CSM/ Group Chair)	CEO < + $5,000
Community Services	Accumulated expenses for a particular Dependant's case (excl. youth education grants)	Dollar value	< $15,000	CSM < $5,000	None	CEO < + $10,000
Community Services	Accumulated expenses for a particular Dependant's case (excl. youth education grants)	Dollar value	< $15,000	CSM < $5,000	None	CEO < + $10,000
Community Services	Education and training assistance for children and young people	Dollar value	< $5,000 per child, per year above policy	< $1,000 per child, per year above policy	None	CEO < + $10,000
Community Services	Capital purchases not funded by a grant	Dollar value	< $50,000	CSM < $2,500	None	CEO < + $10,000

Note: unbudgeted expenditure requires subsequent notification to the Board for endorsement.

4.11.2 The authority of all delegations above are subject to satisfying the requirements of Legacy Brisbane policies related to the specific transaction.

4.11.3 To ensure that all delegates are aware of their authorised limits, the above Delegations table will be provided to all new managers and Group Chairs within 1 month of their appointment to the position.

4.12 Matters requiring Board approval

4.12.1 The following decisions must be referred to the Board for approval:

- Budgets (including detailed background papers);
- Details of any proposed appointment or termination of appointment of any manager reporting to the Chief Executive Officer, whether planned or not. This includes approval to make or terminate the appointment and approval of the proposed person to be appointed or terminated;
- Changes to corporate policy resulting in an impact beyond financial delegations;
- Opening of a new bank account or agreement to a financing arrangement;
- Signatories, including changes to signatories for any bank account;
- Purchase, lease and / or disposal of a premises; and
- Proposed changes in strategic direction.

4.13 Matters to be reported

4.13.1 The following should be reported to the Board or appropriate Board committee for advice, noting, or action as appropriate:

- Staff purchase of a Legacy Brisbane asset being disposed of with a value greater than $5,000;
- potential legal action against Legacy Brisbane;
- non-routine financial claims against Legacy Brisbane;
- business activities and matters resulting in an impact beyond financial delegations; and
- through the Risk and Governance Committee, the status of the corporate risk profile and changes to the profile.

4.14 Execution of documents

4.14.1 All contracts, documents and written obligations executed by Legacy Brisbane which exceed management's delegated authority must be signed by either two (2) directors or any one (1) director and the Company Secretary for and on behalf of Legacy Brisbane and formally recorded and reported to the Board.

4.14.2 Multi-Year Contracts

All multi-year contracts or agreements need to be referred to the CEO with sign off being:

Length of contract	*Within current budget scope**	*Within CEO delegation*	*Approval by*
< 5 years	Yes	Yes	CEO
< 5 years	No	Yes	CEO and Treasurer
< 5 years	Yes or No	No	2 Directors or Company Secretary and 1 Director And formally recorded and reported to Board
5 years or more	Yes or No	Yes or No	Board approval

** Something is within current budget scope if the services (goods) are currently budgeted for, if however, the scope of the services are expanded in the new contract compared to what is currently in the approved budget then it will be outside current budget scope.*

4.15 Delegated authority for signing cheques and transferring funds

4.15.1 Legacy Brisbane holds its cash assets in a number of accounts including investment, operating, gift and imprest cheque accounts.

4.15.2 Signing cheques and authorising the electronic transfer of Legacy Brisbane funds is a significant responsibility. Authorised signatories do so on the understanding that they share in the responsibility for the payment or transfer made. This means that an authorised signatory should have a clear understanding of the payment or transfer being made and is obligated to question any invoice, payment or transfer that appears to be abnormal or without sufficient authorisation.

4.15.3 The following officers and employees are authorised under this delegation to sign cheques and transfer funds as required (i.e. authorised signatories for the operation of all Legacy Brisbane bank accounts):

- President,
- Treasurer,
- Chief Executive Officer,
- Finance Manager,
- Community Services Manager,
- Head of Fundraising, Marketing and Communications, and
- People and Culture Manager.

4.15.4 For all accounts, two such signatories must sign jointly, however any of the Community Services Manager, Head of Fundraising, Marketing and Communications or the People and Culture Manager may sign jointly with each other only if both the Chief Executive Officer and Finance Manager will be absent from Legacy House South Brisbane for longer than is required for a payment to be made. Each such instance is to be reported to the Chief Executive Officer or Finance Manager at the earliest opportunity.

4.15.5 Contact Group Imprest cheque accounts are retained with a typical balance of $2,000 - $4,000 to facilitate assistance to beneficiaries by Contact Groups. Signatories for these accounts are to be approved by the Board and retained on a list of signatories held by the Finance Manager. Two signatories must sign each cheque or to authorise funds transfers.

4.15.6 It is acknowledged that by using a Legacy Brisbane Corporate Credit Card or Debit Card that only one person is authorising the payment; however, in both these instances post expenditure review is required.