



FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY NO 313
SUBJECT: PURCHASING PRACTICES AND PROCEDURES

I. PURPOSE:

This guideline defines the procedures for general purchasing and commitments.

II. POLICY:

It shall be the policy of the Cooperative to follow accepted purchasing practices and provide control processes to enable it to use financial and physical resources to the best advantage and protect the interests of the Cooperative and its employees.

III. RESPONSIBILITY:

The following provisions and procedures shall apply to this policy:

- A. When practical, purchases of materials, supplies, and equipment shall be made on the basis of competitive bids or quotations.
- B. All purchases of materials, supplies, and equipment shall be made and supported by a properly authorized Cooperative purchase order. Pertinent information from the purchase order such as, vendor, items purchased, quantity and amounts will be included on the purchase order and approved by the appropriate department manager. Purchases over \$1,000.00 must also be approved by the CEO/General Manager.
- C. Contracts from maintenance and other services (except for excluded expenditures per section IV below) shall require an open purchase order, issued for the term of the contract. Such contracts will be signed by the CEO/General Manager.
- D. Payment for materials, supplies, equipment, or services will not be made unless authorized Cooperative personnel have attested to the receipt of

the materials, supplies, and equipment, or the performance of the services as invoiced by the vendor or contractor.

- E. When special circumstances make it necessary for an employee to purchase an item, he/she shall be reimbursed upon the submission of a signed receipt for the item.
- F. Items for the employees may be purchased through the Cooperative only if the employee cannot purchase the same item except through the Cooperative, or if the employee cannot receive the same discount as the Cooperative by buying it themselves. If an item is purchased through the Cooperative, it shall be paid for by the employee within three months from the date of purchase. If the employee is purchasing an appliance through the Cooperative from Fall River Enterprises, payment must be made in full within one year from the date of purchase.

IV. EXCLUDED EXPENDITURES:

Exclusions from the guideline include the following:

- A. Power sales – Currently covered by existing power supply contracts.
- B. Salaries – Any current union agreement listing hourly wages for the bargaining unit. The CEO/General Manager approves all salary actions. Salary guidelines are monitored by the Human Resource Manager.
- C. Utilities – Recurring monthly expense approved in the budget and reviewed by the responsible department head before payment.
- D. Letters of Credit – Pre-approved by the signed agreement.
- E. Association dues – These are specifically identified and approved by the Board in the annual budgeting process. Actual disbursement is approved by the sponsoring officer or manager.
- F. Consulting and professional service contracts are signed by the CEO/General Manager in advance of receiving the service, e.g., primary counsel. The CEO/General Manager reviews the actual expenditure on a monthly basis after review by the appropriate manager receiving the service.

G. Interest payments on debt arrangements that have been approved by the Board and supported by signed agreements.

V. ABUSE OF PURCHASING GUIDELINES:

If an employee is found to violate this guideline, the CEO/General Manager will take immediate and appropriate corrective action.

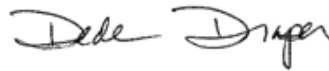
VI. FEDERAL GRANTS, AWARDS, CONTRACTS

Purchases using funding provided by federal grants, awards or contracts must also follow procedures outlined in the Code of Federal Regulations CFR Title 2, Part 215 Section 40 through 48. <http://www.gpoaccess.gov/cfr/index.html>

VII. PRIMACY OF POLICY:

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS



Dede Draper, President

DATE EFFECTIVE: August 08, 1976
DATE REVISED: December 11, 1979
February 22, 1988
November 27, 2000
June 27, 2011
April 23, 2018
April 26, 2021