



Florida Atlantic Research and Development Authority

Title: Budget, Financial & Purchasing Policy
Date Adopted: October 14, 2015
Effective Date: October 1, 2015
Amendment Date: June 24, 2020

1. PURPOSE

It shall be the policy of the Florida Atlantic Research and Development Authority (FARDA) that this policy "Budget, Financial & Purchasing Policy", is hereby adopted, to wit:

The purpose of the "Budget, Financial & Purchasing Policy" is to provide guidelines for the purchases of goods and/or services made by or on behalf of the Florida Atlantic Research and Development Authority (hereinafter referred to as the "Authority"). Purchases not explicitly covered in these guidelines are to be approved in advance by the Authority.

2. SCOPE

- a. This policy applies to:
 - i. Members of the Authority and employees of the Authority, or
 - ii. Individuals or organizations contracted to do business on behalf of the Authority, all of whom are defined as "agents".
- b. Each contract or agreement for the purchase of goods or services shall include the following Equal Opportunity provision:

During the performance of this Agreement, the (vendor) (contractor) (service provider) (other) agrees not to discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation or national origin.

3. PURCHASING CATEGORIES

a. Purchases: \$5,000 or Less

The purchase of goods or services that cost \$2,500 or less does not require independent approval of the Authority provided that funds for such purchase have been included in the current year's approved budget. The agent making the purchase shall, in his or her reasonable discretion, obtain the goods and/or services from a responsible vendor for a fair value. In the event funds for a purchase have not been designated in the current year's budget approved by the Authority, the agent shall obtain the approval of the Authority prior to the purchase. The President may sign checks and order Automatic Clearing House (ACH) and online bill payments up to and including \$5,000.

b. Purchases: \$5,001 to \$10,000

The purchase of goods or services that cost more than \$5,000, up to and including \$10,000, does not require independent approval of the Authority provided that funds for such purchase have been included in the current year's approved budget. In the event funds for a purchase have not been designated in the current year's budget approved by the Authority, the agent shall obtain the approval of the Authority prior to the purchase. The agent shall endeavor to obtain quotes, to the extent possible, from at least three different vendors, for the cost of providing the relevant goods and/or services. Written quotes shall be obtained if the purchase price exceeds \$5,000. The agent making the purchase shall select the vendor with the lowest responsible quote, unless all quotes are rejected, or the agent, in his or her reasonable discretion, determines that the quality of service and/ or goods offered in a higher quote presents the best value. The agent has the right to reject all quotes submitted for a specific purchase pursuant to this paragraph. Two signatures are required on checks over \$5,000. In the case of ACH and online bill payments greater than \$5,000, the President shall inform another account signor and secure his/her written approval prior to executing the payment.

c. Informal Bids: \$10,001 to \$50,000

The purchase of goods or services that cost more than \$10,000 and up to and including \$50,000 does not require independent approval of the Authority provided that funds for such purchase have been included in the current year's approved budget. In the event funds for a purchase have not been designated in the current year's budget approved by the Authority, the agent shall obtain the approval of the Authority prior to the purchase. The agent shall obtain quotes from at least three different vendors, to the extent possible, for the cost of providing the relevant goods and services. The Authority shall ordinarily authorize the purchase from the vendor with the lowest responsible quote, unless all quotes are rejected, or the Authority determines that the quality of service and/ or goods offered in a higher quote presents the best value. The Authority has the right, in its sole discretion, to reject all informal bids submitted for a specific purchase pursuant to this paragraph.

d. Competitive Procurement: More than \$50,000

The purchase of goods or services in excess of \$50,000 shall require prior approval of the Authority. The Authority shall obtain such purchases through competitive procurement except as otherwise provided in paragraphs 3, e, f, and g.

The agent shall draft the appropriate notice of intent to procure the goods or services, which may, as appropriate, contain specifications of the specific goods and/or services to be purchased. The agent shall obtain proposals, from at least three different vendors, to the extent possible, for the cost of providing the relevant goods and/or services. The notice of intent shall be approved by the Authority, and shall then be: 1) provided to regional chambers of commerce and economic development organizations for dissemination, 2) sent to the top 25 providers of the relevant service, as listed by the *South Florida Business Journals Book of Lists*, and 3) posted on the Authority's website at least 30 days before bids are due. The Authority shall ordinarily award the contract to the lowest responsible and compliant bidder, unless all bids are rejected, or the Authority determines that the quality of service and/ or goods offered in a higher bid presents the best value. The Authority has the right, in its sole discretion, to reject all bids submitted for a specific purchase pursuant to this paragraph.

e. Emergency Purchases

In the event of an accident or emergency that threatens the safety, financial viability or a substantial loss to the Authority, as determined to exist by the agent and the Chair of the Authority, in their reasonable discretion, purchases in any amount may be made by the agent without compliance with the guidelines described above. In making purchases in such an emergency situation, the agent shall, in his or her reasonable discretion obtain the services and/or goods from a responsible vendor for a fair value. Any purchase made pursuant to this paragraph shall be immediately reported to the Authority in writing.

f. Sole Sources

In the event the Authority makes a written determination that a particular good or service, or aggregate thereof, is only available from a single source, such item(s) may be purchased from such source without further compliance with these guidelines.

g. Other Exceptions

The following contracts, or acquisitions of goods or services, are exempt from compliance with these guidelines provided such contracts and acquisitions are authorized and approved by the Authority and are:

- i. goods and services acquired through participation in a cooperative purchasing agreement with one or more public entities or pursuant to Chapters 255 and 287 Florida Statutes;
- ii. Changes, amendments or change orders to existing contracts that do not exceed 25% of the contracted value;
- iii. Purchases pursuant to grant requirements;
- iv. A project where the contractor or builder has been selected by the tenant and use of such contractor or builder is a condition of the tenancy, if:
 - 1. The estimated costs of construction are reviewed by an architect selected by the tenant or its agent (if appropriate) and such architect certifies in writing that such costs are competitive in the market place; or
 - 2. The tenant or contractor or builder is legally obligated for the complete and total repayment of any debt incurred by the Authority in connection with such a project.

h. Construction of Facilities for Lease to the State

The construction of facilities in connection with the lease of space to executive agencies, departments or other political subdivisions of the State shall be competitively bid in accordance with the requirements of state law, including Section 255.2501, Florida Statutes.

i. Procurement Review

The contracts and performance of vendors retained by the Authority shall be reviewed at least every three years.

j. Employee Reimbursement

From time to time it may be necessary for employees other than the President to use personal automobiles for Authority business. In such cases, the employee must seek the President's approval before such an event occurs and submit a mileage report within thirty (30) days of the occurrence. The Authority will reimburse employees at the prevailing standard mileage rate used by the Internal Revenue Service.

4. BUDGET

On an annual basis the President, will facilitate the preparation of a budget to be approved by the Authority. The approved budget will function as the guideline for the fiscal operations. The Authority should be presented with a proposed budget with sufficient time to allow for the approval of a final budget before the beginning of the following fiscal year. Should the Authority fail to approve a budget before a new fiscal year, the existing adopted budget shall be deemed to have been finally renewed and adopted by the Authority.

5. PAYMENTS MADE

Payments for goods and services may be made by check or electronic funds transfer (EFT). Checks over \$5,000 must be signed by 2 authorized signors, excluding monthly checks for rent. EFT's may only be executed by the President. Payments must be made on timely basis to ensure good credit standing and avoid late fees.

Checks will be prepared twice a month by the staff for signature by the President.

6. PAYMENTS RECEIVED

Checks should be deposited on a timely basis to decrease the chance of loss and to maximize cash flow. Copies of checks should be made and attached to the deposit slip.

7. BANK STATEMENTS

Bank statements will be reviewed and initialed by the President. Bank accounts will be reconciled on a monthly basis and given to the President by the 15th day of the following month. The President will also submit all bank statements, financial statements (balance sheet and profit and loss), and other financial records to the Treasurer for review. The Treasurer shall sign the bank and financial statements once they are reviewed.

8. ACCOUNTS RECEIVABLE

A list of accounts receivable will be given to the President by the 10th of each month for review.

9. FINANCIAL STATEMENTS

Financial statements will be prepared on a monthly basis and given to the President by the 15th day of the following month. The statements will be prepared on a full-accrual basis according to GAAP.

10. INVESTMENTS

All investments made by the Authority must be made in furtherance of its public purposes.

11. BORROWING

A majority of the Authority constitutes a quorum, which is necessary for any Authority action. Borrowing may only be done by Authority action. Any bond issuance must be done by Authority action, with the President of FAU's designee present and voting, per F.S. 159.703 (6).

12. FIXED ASSETS

Fixed assets over \$2,500 in value will be depreciated based on the following categories:

- Computers and Office Equipment - Straight line over 5 years
- Leasehold Improvements - Straight line - number of years depends on item (future improvements will follow previous schedules)
- Permanent Signs - Straight line over 30 years

13. DISPOSITION OF PROPERTY

From time to time, the Authority may have surplus property. Surplus property is defined as Authority owned property that is not needed or has no practical use. Surplus property may be sold by the President or his/her designee. For surplus property valued under \$2,500, the President or his/her designee may donate such property to local charitable organizations in need of such items.

Amended this 24th day of June, 2020

Language underlined is an addition from the previously approved policy.

Language ~~stricken-out~~ is language deleted from the previously approved policy.