

**HERSHEY AREA PLAYHOUSE
Hershey, PA**

Policy 002: Purchasing

PURCHASES and PURCHASING

It shall be the policy of Hershey Area Playhouse (Playhouse) that expenditures of funds of the Playhouse, whether those be funds collected through normal operations or funds donated to the Playhouse follow a standardized process of requisition/approval, purchase, and reimbursement. As the Playhouse is an all-volunteer organization, it must rely on the knowledge that all volunteers understand and appreciate the fact that the Playhouse functions on a limited budget.

The Board declares its intention to purchase competitively and to seek maximum value for every dollar expended.

The acquisition of services, equipment and supplies shall be under the control of the Board with purchases effected through the office of the Treasurer through whose office all purchasing transactions and/or reimbursements are to be conducted.

1. The Treasurer is designated by the Board to serve as purchasing agent. She/he shall be responsible for administering the purchasing program of the Playhouse.
2. Competitive quotations shall be solicited in connection with all purchasing of supplies and equipment with an aggregate cost over \$1,000 whenever practical. Contracts shall be awarded to the lowest quote complying with specifications or practical requirements.
3. Each production shall establish a budget which shall be approved by the Board. Purchases made within the parameters of the budget for that production may be approved by the Producer or Director of the Production. Those purchases shall be made whenever possible through a vendor honoring the tax exempt status of the Playhouse.
4. Funds may not be spent beyond the category total in any category of the production's budget. Movement of budgeted funds from one category of the budget to another shall be requested in writing to the Board liaison for the show and brought to the executive committee of the board for approval.

5. Requests for use of the Playhouse credit card must be made to the Chairperson, Vice-Chairperson or Treasurer. Upon approval, the purchase will be made by either the Chairperson, Vice-Chairperson or Treasurer.
6. No Board Member of the Playhouse or their families shall bear interest financially in any contract or purchase entered into by the Board. This shall also preclude acceptance of any gratuities, financial or otherwise, from any supplier of materials or services to the district.

Purchasing

The Board recognizes the advantages of centralized purchasing both from the standpoint of economy and control. The Board authorizes the Treasurer to purchase and supervise the purchasing of all equipment, materials, goods and supplies for the Playhouse in accordance with good purchasing practices with the following limitations:

1. All purchases of furniture, supplies, equipment, and other appliances as well as purchase of services for the Playhouse itself shall be approved by the Director of Operations prior to purchase. For all purchases from \$1,000 to \$3,000 in total aggregate cost, at least three (3) quotes must be obtained. The lowest quote shall receive the business unless a justification for a higher quote can be defended.
2. All purchases of furniture, supplies, equipment and other appliances as well as purchase of services for the Playhouse costing more than \$3,000 in total aggregate cost require advance approval of the full Board

Routine Repairs – Grounds and Buildings

The Board authorizes the Director of Operations, with notice to the Treasurer to award contracts for repairs or work of any nature where the entire cost or value, including labor and materials, is \$1,000 or less without soliciting competitive bids. Good purchasing practices should be followed in all cases.

All equipment, supplies and materiel purchased for the Playhouse using Playhouse funds shall become the sole property of the Playhouse and shall be housed in and remain in its facilities unless specifically authorized by the Board. In such cases, an itemized list shall be created prior to removal of the items, signed by an authorized representative of the Playhouse and the person to house the material. The list shall be maintained by the Treasurer until the material is returned to the Playhouse.

Routine Purchases – Current/Future Production

Purchases related to a specific production shall be made using the following procedure:

1. Purchases made within the limits of the specific production's budget may be made by the individual(s) designated by the Director to make such purchases. Such purchases may be made by the individual with receipts submitted to the Director or his or her designee to be reimbursed by the Treasurer.
2. All invoices, in order to be reimbursed, must be submitted to the Treasurer within thirty (30) days of the close of the production for which the purchase was made. Failure to meet this deadline will forfeit the purchaser's right to reimbursement. Said purchase will be considered a donation to the Playhouse by the purchaser.
3. Purchases with substantial cost may be invoiced to the Playhouse with the approval of the Treasurer.
4. Budgeted Purchases (Insufficient Funds) - Requests to purchase supplies, materials and services for which insufficient funds remain in the production's budget must be made in writing to the Board liaison who will discuss the request with the Executive Committee of the Board (Chairperson, Vice-Chairperson, Secretary, Treasurer). The Committee may approve or reject the request.
5. Unbudgeted Purchases (No Funds Budgeted) - Requests to purchase supplies, materials and services for which no funds were provided in the production's budget must be made in writing to the Board liaison who will discuss the request with the Executive Committee of the Board. The Committee may approve or reject the request or may require that the request be considered by the full Board.
6. The Treasurer is authorized to develop a standardized requisition form to be used for all underbudgeted or unbudgeted requests.
7. All equipment, supplies and material purchased for the Playhouse using Playhouse funds shall become the sole property of the Playhouse and shall be housed in and remain in its facilities unless specifically authorized by the Board. In such cases, an itemized list shall be created prior to removal of the items, signed by an authorized representative of the Playhouse and the person to house the material. The list shall be maintained by the Treasurer until the material is returned to the Playhouse.
8. No equipment, material, sets, props, costumes or other supplies may be loaned by the Playhouse except as authorized by a member of the Executive Committee (Chairperson, Vice-Chairperson, Treasurer, Secretary) or the Director of Operations or the Board Representative for Costumes (for costumes and accessories).
9. The Treasurer is not authorized to disburse funds for purchases that do not follow the procedures established above.