



Change for Children Procurement Policy

Purpose

The purpose of this policy is to ensure: 1) that Change for Children receives the best value for the goods and services required for its operations within Canada and internationally; 2) that goods and services are purchased through open, fair, transparent, consistent, cost effective and cost efficient procurement processes; and 3) that goods and services purchased are in alignment with Change for Children values and policies.

Principles

The following principles will be adhered to in the procurement of materials and services in Change for Children:

- **Alignment with our Values and Principles** - All procurement must be in alignment with Change for Children values and policies as outlined in other documents, such as the Environment Policy, Gender Policy, and Anti-Corruption and Transparency Policy. Thus, in addition to cost effectiveness, consideration is given to quality, environmental and social impacts, and economic justice.
- **Effective Utilization of Resources** - Change for Children takes seriously its responsibility to utilize the resources entrusted to it by donors and funders in the most effective and efficient manner.
- **Fair Competition** - Change for Children will ensure that a reasonable number of suppliers are given an opportunity to bid and aim to avoid situations where there may be a bias toward awarding a contract for goods, services or assets for programs or projects to a specific person or entity.
- **Avoidance of Conflict of Interest** - Situations of conflict of interest with members or staff of Change for Children must be declared to the Organization in advance and in accordance with the Code of Conduct for volunteers and staff of the Organization.
- **Operating with Transparency and Accountability** - As outlined in the CFC Anti-corruption and Transparency Policy, all procurement processes will be conducted in manner that is transparent to the membership and public, and requires accountability for all decisions made.

Objectives and Strategies

The procurement process both in with Canada and in international programs and projects shall begin with needs identification, followed by preparation, requisition, purchase and receiving, and finally control check. No funds shall be made available if due process is not followed.

1. Needs Identification

Needs identification within domestic Change for Children programming is conducted by appropriate program staff and volunteers. In Change for Children's overseas partner organizations, needs identification is carried out by the local NGO staff according to their policies and procedures. Both within Canada and internationally, the cost of goods and services requested must be in line with the annual program or project

budget and within budget limits or must be approved as a necessary out-of-budget acquisition by the CFC's Executive Director.

2. Preparation

In the preparation stage, a schedule of the different activities associated with the purchase of this asset may be established. This should include timelines and the different tasks involved and the people responsible for these tasks.

At this point, the overseas partner organization or Canadian program staff should also document how they intend to solicit for providers, evaluate them and the criteria that will be used as a guideline in awarding the contract. This shall be shared with and approved by the authorities as set in the authorisation levels in 3 below. This shall form part of the purchase documents and shall be kept for future reviews as necessary.

3. Requisition and Authorisation

Once the preparation process is complete, then a requisition must be generated and forwarded to the relevant authority as defined in the Tables below.

For those Items which are clearly identified in the budget and proper needs assessment has been done, the authority line shall be as in Table One below:

Table One: Authority Level – Within Budget Purchases

Limit	Authorising Authority
\$500 – \$2,000	The requisition is reviewed & approved by the management of the overseas partner organization. For domestic requisitions, the Program Coordinator responsible will approve requests.
\$2,001 – \$10,000	The requisition is reviewed by the management of the overseas partner organization and sent to the CFC Executive Director for final approval. Domestic requests are sent directly to the CFC Executive Director for final approval.
\$10,001 and Over	The requisition is reviewed by the management of the overseas partner organization and sent to the CFC Executive Director for final approval. Domestic requests are sent directly to the CFC Executive Director for final approval.

The authorisation for out- of-budget acquisitions must be approved by the relevant authority (See Table Two below). Change for Children's finance department must be notified for all out-of-budget items so as to make the necessary budget adjustments.

Table Two: Authority Level – Out-of- Budget Purchases

Limit (CAD)	Authorising Authority
\$500-\$1,000	The requisition is reviewed & approved by the management of the overseas partner organization. For domestic requisitions, the Program Coordinator responsible will approve requests.
\$1,001 –\$5,000	The requisition is reviewed by the management of the overseas partner organization and sent to the CFC Executive Director for final approval. Domestic requests are sent directly to the CFC Executive Director for final approval.
\$5,001 and over	The requisition is reviewed by the management of the overseas partner organization and sent to the CFC Executive Director for final approval. Domestic requests are sent directly to the CFC Executive Director for final approval.

In each of these scenarios, proper documentation and evidence of approval shall be maintained by the requesting/purchasing unit and such documents shall be made available to an appointed person who may be carrying out a review or audit.

4. Purchase & Receiving

This will include the participation of overseas partner organizations in tendering the contract according to their guidelines. In Canada, the contract will be awarded to the best supplier based on a given set of guidelines. The guidelines below will assist Change for Children to evaluate offers. It is imperative that the supplier should confirm that they are able to supply that specific item. Once this is done, a formal purchase agreement should be signed for items over \$2000. The supplier shall be given a specific timeframe to deliver the item. Upon delivery, the requesting department shall confirm that the item is what was requested and that it will meet the need.

Table Three: Procedure for purchase of items with a given value.

Item Value	Procedure
\$500 –\$2,000	These shall be off the shelf items. However, there should be evidence of price comparison through pro forma invoices kept. At least two different pro forma invoices should be compared.
\$2001 –\$25,000	There shall be written quotations/ pro forma invoices from three reputable providers evaluated on a competitive basis.
\$25,001 and over	Here there may be a call for sealed tenders depending on the circumstance. The need for sealed bid shall be determined from time to time by the Head Office and the field office & the implementing unit advised on the correct procedure to follow.

5. Payment

For all circumstances where a single direct cash payment is not involved, the terms of payment shall be agreed with the supplier during the purchase process and signed by both parties.

All payments shall be made through bank accounts using direct deposits or through the issuing of a cheque.

6. Documentation

Documents pertaining to each purchase shall be kept including such items as: needs assessments, tender evaluations, purchase requisitions, authorizations, purchase orders, invoices, shipping and receiving documents, delivery notes, confirmation that the item is satisfactory in terms of quality and specifications. Any procurement deviating from the provisions of this policy will be fully justified and documented in the Organization's procurement file(s). The Organization will maintain an active inventory of all Project Assets, and track the depreciation of the value of assets as appropriate.

7. Disposal of Assets

Asset disposal may be a result of several events: An **asset** is fully depreciated and must be **disposed** of. An asset is sold because it is no longer useful or needed. A project ends and the funder explicitly requires disposal of all assets acquired in the project to a registered not-for-profit organization. An **asset** must be removed from the books due to unforeseen circumstances (e.g., theft).

Assets for disposal may be removed from CFC inventory through the following mechanisms:

- Transfer to beneficiaries of the project;
- Transfer to another CFC project or partner organization that will continue similar activities or programs;
- Sold through public tender/auction, and the proceeds of the sale be reinvested in the project or a similar project;

All ownership transfers will be processed following relevant legislation in Canada and in the country where it occurs. Documentation including serial numbers, makes, and models, etc. and records of legal registrations of transfer of ownership will be maintained in CFC records in Canada and by international partner organizations disposing or acquiring the assets.

Accountability

The Board of CFC is responsible to oversee the implementation of this policy. At any time, Board members can review the procedures and documentation regarding the procurement of goods and services within any CFC program or project. This policy and these procedures will be used to demonstrate transparency and good governance to both donors and funders as required and appropriate.

Approved by CFC Board, April 21st 2021

Date for Review: April, 2026