

MBC Purchasing Policy

Date adopted: January 2026

Responsible Position / Ministry Area: Treasurer

Why is this policy needed?

The purpose of this Policy is to establish a purchasing framework at Mooroolbark Baptist Church (MBC) to achieve best value in price, quality and timeliness through consistent, competitive and transparent processes.

Why is this policy important?

'Purchasing' includes all activities *involved in* acquiring goods or services to accomplish the goals of ministry and operational activities at MBC.

MBC recognises that some core elements of best practice applicable to purchasing incorporate:

- values of ethics, value for money, responsibility and accountability;
- a system of purchasing authorisation limits
- purchasing processes, with appropriate procedures covering minor, simple purchasing to high value, more complex purchasing;
- a professional yet Christ-centred approach

Through this policy, MBC's purchasing activities endeavour to:

- achieve value for money and quality in the acquisition of goods, services and works;
- be conducted, and be seen to be conducted, in an impartial, fair and ethical manner;
- to allow MBC to abide by the Competition and Consumer Act 2010

What does this policy relate to?

This Policy applies to all purchasing activities and is binding upon church members, pastoral team, staff members and all persons engaged in purchasing on behalf of MBC.

What does this policy try to achieve?

- To provide a purchasing framework that seeks to achieve best value in price, quality and timeliness through consistent, competitive and transparent processes;
- To provide a framework to achieve ethical behaviour in all purchasing; and

Document Control Schedule

Document Title: <u>MBC Purchasing Policy</u>		Document Ref: <u>January 2026</u>	Document responsibility: <u>Treasurer</u>
Document creation date: April 2017	Current version approved: January 2026	Current version number: January 2026	Next policy review date: January 2028

- To minimise and manage risks in purchasing.

What are the key Christian values or biblical principles that shape this policy?

Being a good steward with the funds we have been blessed with.

Applying due diligence and counting the cost “Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it?” Luke 14:28

What is the position of Mooroolbark Baptist Church on this issue/topic?

1. **Value for Money** - All persons engaged in purchasing decisions must aim to obtain best value-for - money. Value-for-money will take account of all relevant costs and benefits of each proposal throughout the entire purchasing cycle. Cost will not be the only determinant of value-for-money. While cost will be a major consideration, goods, services and works will also be selected on the basis of the degree of compliance with specified quality standards and environmental performance.
2. **Compliance** - MBC will comply fully with the Competition and Consumer Act 2010 and other fair trading legislation applicable to its operations. MBC is committed to the public policy goals embodied in these laws which include the protection and promotion of competition.
3. **Ethics** – Church members, pastoral team, staff members (and all persons engaged in procurement on behalf of MBC) must exercise the highest standards of integrity in a manner able to withstand the closest possible scrutiny.
4. **Accountability** - All persons engaged in purchasing must be able to explain and provide evidence of the process followed in purchasing on behalf of MBC. The test of adequate accountability is that an independent third party must be able to clearly see that a process complying with this Policy has been followed and that the process is fair and reasonable.
5. **Transparency** - A consistent approach will be undertaken in all purchasing undertaken by MBC. MBC will conduct its purchasing activities in a fair, honest, and open manner, demonstrating the highest levels of integrity, consistent with the public interest.
6. **Fairness and Honesty** - All prospective providers must be afforded an equal opportunity to tender or quote, and impartiality must be maintained throughout the purchasing process so that it can withstand public scrutiny.
7. **Confidentiality** - The commercial interests of existing and potential providers must be protected. Confidentiality of information provided by existing and prospective providers must be maintained at all times, particularly commercially sensitive material such as, but not limited to process, price, discounts, rebates, profit, margin/mark-up, manufacturing and product information.
8. **Conflict of interest** – All church members, pastoral team, staff members (and all persons engaged in purchasing on behalf of MBC) have an overriding responsibility to act impartially and with integrity, avoiding conflicts of interest.

9. **Gifts and Hospitality** – All church members, pastoral team, staff members (and all persons engaged in purchasing on behalf of MBC) must not accept a gift of hospitality if acceptance could be perceived as being intended to or likely to influence the recipient in the fair, impartial and efficient discharge of purchasing activities.
10. **Confidentiality** - Commercial-in-confidence or intellectual property information received by MBC must not be disclosed and is to be held in a secure location. Discussion with potential providers during any tender evaluations should not go beyond the extent necessary to resolve doubt on what is being offered by that provider, or to clarify specification queries.
11. **Internal controls** - MBC will establish and maintain a framework of internal controls over purchasing activities in order to ensure:
 - more than one person is involved in each transaction
 - transparency in the purchasing process
 - a clearly documented audit trail exists for purchasing activities
 - appropriate authorisations are obtained and documented
 - systems are in place for appropriate monitoring and performance measurement
 - All persons engaged in purchasing activities must diligently apply all internal controls
12. **Risk Management** - MBC will manage all aspects of its procurement activities in accordance with risk management principles and in such a way that all risks, including occupational health and safety, are controlled to the standards required by law.

What needs to occur for this policy to be implemented?

Purchasing / Reimbursement Procedures

Towards the end of each calendar year, a proposed budget is presented to the MBC congregation at a church business meeting. This budget is formed based on input from the Church Treasurer, Finance Committee, Diaconate and Ministry Leaders, primarily via the budget submission process. The church votes on the church budget, and when approved, the approved budget can then be actioned in the new calendar year. In some cases, funds are provided for specific items, and if so, can only be used on those items as specified.

1. General Purchasing for Budgeted Expenditure

The following table indicates how goods or services can be purchased, and the appropriate approval mechanism. The values below relate to any one single item of expenditure, and quotes if appropriate must be approved prior to the purchasing transaction.

Buyer	Range	Procurement Method	Approved by
Ministry Team Member	\$0 - \$1,000	Instant Purchase	Department Head
Ministry Team Member	Greater than \$1,000	2 Quotes via Department Head	Department Head and Diaconate [^]
Department Head	\$0 - \$1,000	Instant Purchase	Secondary Signatory ^{**}
Department Head	Greater than \$1,000	2 Quotes	Diaconate [^]

[^] Diaconate approves via email from Treasurer. This is passed to the bookkeeper to action.

^{**} Second signatory must be a church member or formal team ministry member, nominated at the beginning of a budget year

Quotes

In some cases, obtaining 2 quotes may not be appropriate. In such cases, the Treasurer is to be engaged prior to the purchase with the supporting justification as to why 2 quotes are not required, and if approved, report back to the diaconate for transparency. An example of this may be where a unique item is being purchased, or a service for which gaining 2 quotes may be near impossible.

The intent of getting 2 quotes is to ensure the purchase has had sufficient due diligence in terms of pricing and options. If 2 quotes cannot be obtained, you must justify this by providing details of how you ensured compliance to the ideals of this policy, such as being good value for money and fairness.

Budget Items not allocated to a specific ministry

Some budget items are not allocated to a specific ministry. Rather, they are administered by the Pastors, Treasurer or Diaconate. These items also adhere to the above framework; however, some exceptions include items such as funds allocated for discretionary spending, payroll of staff, payment of utility bills or other regular, periodic payments. (A budget item is a budget item whether it is a ministry allocation or discretionary funds)

MBC Credit Card process

Some of our pastoral staff and ministry leaders may be issued with a credit card that is linked to MBC bank accounts. The same policy applies as per any other expenditure; however, the process is slightly different in that...

- Monthly credit card statement is provided to the church bookkeeper with allocation of transactions to budget items
- Receipts must be provided as supporting documentation to claim GST
- Second signatory is only required where the buyer is not the Department Head or the value of the transaction is greater than \$1,000
- Transactions are monitored periodically by the treasurer

Timing

- Reimbursements must be claimed within 60 days of purchases
- Reimbursements must be provided by December 15th to enable year end finalization
- No more than one quarter of the funds should be spent in each quarter of the year. For example, a \$400 budget allocation for the year should be incurred equally over the four quarters of the year at \$100 per quarter. If a larger purchase is required, for example an item costing \$200, then the purchase of this item should be held back until the second quarter of the year in order to ensure half the funds are spent only by the half way mark of the year or approval sought from the treasurer.

How to claim

A request for reimbursement form **MUST** be authorised by an approved representative (ie authorised signatory) of your department and submitted to the MBC Bookkeeper in order to claim reimbursement for expenditure. You may submit to the church office, send to the MBC Bookkeeper or place in the communication box. Submissions will usually be processed within 2 weeks of receipt.

It is the responsibility of the department head (signing the form) **NOT** the bookkeeper, to check that the receipts provided match the request form and GST is claimed correctly (this is a directive of the church auditor). A valid tax invoice is required for us to be able to claim the GST from the ATO. Please do not split tax invoices between church and personal items, if possible. GST should be on the tax receipt however it can be calculated as 1/11th of the total cost for receipts that say GST inclusive.

It is also the responsibility of the department head to ensure the correct bank details are given. If incorrect information is given and the amount is returned, the bank will charge a fee which MBC will pass to you or your department, so please take care to make sure the correct details are given.

2. Capital Items / Additional Funding Requests

A church meeting may approve additional funding requests. In such instances, the diaconate will present the goods or services to be purchased, along with 2 quotes as necessary, for approval.

A church business meeting may also approve a prioritized list of capital items, with an indicative costing. In this case, the diaconate will then present the quotes back to a church business meeting for approval prior to committing to the purchase.

These are the preferred methods to approve additional funding requests.

In some cases, the diaconate may request approval at a church business meeting for an upper amount to spend. In such cases, the diaconate is then endorsed to spend up to that limit. However, 3 quotes are still required, and made available to church members as requested. This method can be helpful when there are timing issues, such as the item being needed urgently.

3. Un-budgeted Spend

In rare circumstances, the diaconate may have a need to make a purchase that has not been budgeted for. This could include:

- Urgent maintenance works not budgeted for (eg. The heating system fails)
- Urgent safety issue (eg. Tree at high risk of falling causing injury)
- Urgent compliance / legal issue (eg. Risk of substantial financial loss due to legal issue)

In such cases, the diaconate will present the item for approval at the next available church business meeting. If the item must be paid for prior to the next available meeting, the diaconate will take measures to inform church members at the next church business meeting, where church members will be provided a full brief on the need for the expenditure, as well as the process used to purchase the item. If required, 2 quotes will be obtained and made available upon request.

Who is responsible and what is their role?

See procedures section

Is there any legislation that provides direction?

All MBC purchasing and procurement activity is subject to the applicable:

- legislative and regulatory provisions
- Competition and Consumer Act 2010

Are there any other related church documents?

- MBC Church Annual Budget
- MBC Church Constitution
- Reimbursement Form
- This policy replaces the Reimbursement Guidelines previously published

What is the explanation of any key terms?

N/A

Are there any supporting documents?

N/A

