



**SECTION:** Financial

**POLICY:** Capital Purchasing

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## Policy

The purpose of this policy is to define a capital purchase and to establish guidelines to ensure:

- Appropriate approval is received in the procurement of assets.
- Unbiased and objective selection of the most appropriate vendor.
- Purchases are contracted at the most reasonable price.

A capital purchase is defined as a physical asset, such as office equipment (eg. furniture, computers, printers, etc.) vehicles, property or building. These purchases are deemed fixed assets rather than expenses for accounting purposes and are typically subject to depreciation.

## Procedure

1. All capital purchases must be specifically identified in approved budgets. If not specifically identified within approved budgets, approval must be obtained as follows:
  - \*Prior approval from the Chief Executive Officer on purchases up to and including \$25,000.
  - \*Prior approval from the Board of Directors on purchases over \$25,000.
2. Capital purchases up to and including \$5,000 will require a minimum of three competitive quotes (i.e. through websites, catalogue prices, verbal or written quotes)
3. Capital purchases over \$5,000 will require a minimum of three competitive quotes in writing. These quotes are to include the price, all terms and conditions, etc.

Any Capital purchases that are not identified in the approved budget must be reviewed by the Finance Committee, prior to approval by the Board of Directors. The Chief Executive Officer must provide the Finance Committee with the price and rationale for the purchase and demonstrate the availability of financial resources to support the purchase.

4. Subject to quality assurance and timely delivery, the lowest bid or quote will be accepted.
5. A Registry of Assets in accordance with the Ministry of Health Community Financial Policy (2011) will be maintained for all physical assets.