

PATHWAYS ABILITIES SOCIETY

POLICY: CONTRACTS

Applies to: All Personnel

PREAMBLE

A contract is an agreement enforced by law that binds two or more parties to do or not to do some definite thing. Each contract entered into by the society should maximize the benefits of that agreement while at the same time protect the society's good name.

There are two types of potential contractual situations the organization may enter into, a contract to provide service and contract to purchase or have a service provided.

POLICY

All contracts will contain the following:

- The nature of the service.
- The financial obligations agreed to.
- The period of time that the contract covers.
- The invoicing procedure or payment schedule.
- A termination clause.
- An authorized signatory as outlined in the Budgeting, Disbursements, Receivables, Signing and Spending Authority policy.

Contract provisions and terms will be adhered to and reporting requirements met. Original signed contract will be kept in a secure location in the administration office.

Contracts to Provide a Service

The executive director is authorized to sign service contracts and modification agreements. They are responsible for informing the board of directors in writing, in a timely manner, the correct legal names of the parties to the contract and if appropriate, where a corporate entity is a contracting party, the principal of the corporation as a joint contractor or covenantor, the type of contract, the amount, and the term duration.

Contracts to Purchase a Service or have a service provided

A minimum of three tenders are required when the financial costs or benefits from a service contract are likely to exceed \$2,500 or when the contract will most likely obligate the society for a period greater than one full calendar year.

All contracts to purchase service in excess of \$2,500 require the approval of the Board of Directors. Contracts will be awarded within the parameters of the Pathways Abilities Society Code of Ethics and Conflict of Interest Guidelines.

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Board Approval

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