

### 3.1 Capitalization Threshold

Capital good expenditures equal to or in excess of five thousand dollars (\$5,000.00) must be capitalized for the purpose of financial reporting.

(Board Resolution No. 05-001; Board Resolution No. 22-004)

### 3.2 Purchase Authorization

No employee or member of the Board may charge personal expenditures to any Board account with the exception of items to be reimbursed to the Board under the Travel Policy (as defined in the Employee Handbook) . Purchases in excess of two thousand five hundred dollars (\$2,500.00) are to be authorized before the fact by means of properly approved purchase orders.

The heads of each department are authorized to purchase materials and supplies chargeable to their operation up to two thousand five hundred dollars (\$2,500.00). Purchases in excess of this amount are to be requisitioned to the next higher authority .

The Assistant General Manager is authorized to execute purchase orders up to two thousand five hundred dollars (\$2,500.00). It is understood that in the event of the General Manager's absence due to vacation, disability, etc., he/she will have the same authority as the General Manager.

The General Manager is authorized to execute purchase orders, provided that the materials, supplies, or services are in the current adopted budget, up to the limits established by the State of Delaware, Office of Management and Budget , Purchasing and Contracting Advisory Council thresholds for Public Works.

The General Manager may approve change orders to contracts in force so long as the amount does not exceed ten percent (10%) of the original contract amount. The General Manager's authorization limit is extended for specific purchases upon prior approval of the Board.

The Board has unlimited purchasing authority. Board approval of purchases is delegated to the General Manager for execution of the order.

The General Manager may utilize both internal management controls and management reports designed to ensure the purchasing cards are being used in accordance with this policy.

(Board Resolution No. 06-001; Board Resolution No. 22-004 )

### 3.11 Five Year Capital Budget

The Capital Budget represents the budget for the expenditures for major repairs, renovations, and/or capital improvements on Lewes BPW property and infrastructure.

(Board Resolution No. 22-004)