



Ole Farmer Association North America (OFANA)

SOP # 4

Revision #

Implementation Date

TBD

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Approval

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Policy

Awarding and entering contractual obligations on behalf of OFANA

Purpose

Ensure all region use the same uniformed approach in awarding contracts to ensure compliance to IRS and other Federal Guidelines as well as OFANA By – Laws.

All OFANA Regional VPs and their Committee Chairs or designees must adhere to the OFANA SOP when awarding contracts on behalf of the Organization.

Scope

Ensure more than one (1) bid is obtained prior to awarding new contracts exceeding \$500.00 (Five Hundred Dollars).

For repeat vendor ensure market rate is in effect prior to renewing contract.

Ensure contracts are awarded on a merit basis.


Contracts awarded to Ole Farmers or their families must have a disclosure for “no favoritism” or “excess benefits” services must be awarded at fair market value, Per IRS rules and regulations.

Contracts granted to board members or other high level members and donors must be scrutinized by the Treasurer or Assistant Treasurer and or the President carefully for legality and fair practices.

Contractual agreement includes, but is not limited to:

- Catering
- Venue for housing functions
- Hotel accommodation
- Production of, or Printing T Shirts, Magazines, Tickets etc.
- Securing DJs, Bands, Pianist or other music or entertainment for functions.
- Transportation

All vendors must comply with all Federal, State & and Local rules & regulations as well as OFANA By Laws.

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Vendors must carry Liability Insurance for Trade to protect the welfare and safety of OFANA Members and their Guests.

Contracts must only be awarded to legitimate business owners

Contracts must only be awarded to equal opportunity companies who adhere to non-discriminatory laws.

Contracts must be awarded to socially conscious companies.

All requests for funds must be accompanied by a completed "Funds Requisition Form as well as a Budget Forecast Form.

Responsibilities


The President OFANA must review endorse all contracts to be awarded for more than \$1,000 by any region after vetting by the Treasurer and Assistant Treasurer.

Regional VPs must ascertain all insurance, trade and compliance documents are in effect by their vendor of choice prior to engaging in any contractual agreements. Copies of certificate of compliance must be obtained when necessary.

Regional VPs must advise the OFANA Board of all contracts awarded to Ole Farmers and or their families to ensure proper disclosure and scrutiny of contract per IRS Regulations

Procedures

- All contracts must be carefully examined by Regional VPs and Committee Chair Persons prior to any formal agreement.
- All merchants must have proper license, insurance and Trade permits prior to awarding of contracts.
- Two or more bids must be obtained & carefully examined prior to awarding any contract above \$500.
- All contracts to Ole Farmers and or their families must be carefully vetted by VPs & Board or designees to ensure fair practice and IRS non excess benefits rules are in compliance.

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Choosing Vendors

- For, food production and service it is more favorable to contract a qualified food service professional. If hiring such a professional is cost prohibitive all food safety & sanitation procedures in the SOP must be adhered to.
- Choose vendors who adhere to all Federal, State & Local guidelines
- Choose the most qualified and cost effective vendor at all time.
- Do reference checks on vendors if unfamiliar with their work.
- Choose vendors who will adhere to our non profit tax exempt status.
- When doing repeat business with a vendor ensure fair market price is in effect prior to contract.

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