Procurement Policy

Effective Date: 28.01.2026

Review Cycle: Annual or following any significant partner/structural changes

1. Purpose

This Procurement Policy establishes the principles and procedures governing the acquisition of goods and services by Saffron Kitchen Project (SKP). It ensures that all procurement activities are conducted with integrity, transparency, cost-efficiency, and in full compliance with applicable Greek law and donor requirements.

SKP is committed to responsible stewardship of funds and to maintaining systems that withstand internal and external audit scrutiny.

2. Scope

This policy applies to all staff, board members, volunteers, and contractors engaged in purchasing or authorising expenditures on behalf of SKP. It covers all operational, programmatic, and administrative procurement.

3. Core Principles

3.1 Local and Ethical Sourcing

Where feasible and cost-competitive, SKP prioritizes local suppliers, small businesses, and community-based enterprises. Procurement decisions must also consider supplier reliability, ethical standards, and legal compliance.

3.2 Value for Money and Competition

All purchases must demonstrate value for money, balancing price, quality, reliability, and service. Competitive comparison is required in proportion to the value and complexity of the purchase.

3.3 Transparency and Accountability

All procurement actions must be properly authorised, documented, and traceable. Financial records must clearly demonstrate the purpose, approval, and payment of each expense.

3.4 Oversight and Communication

Program and management staff maintain regular communication regarding anticipated and actual costs to ensure budget alignment, prevent overspending, and enable early identification of cost fluctuations.

4. Procurement Procedures

4.1 Planning and Budget Control

All expenditures must:

- Fall within an approved budget line
- Be necessary for programmatic or operational objectives
- Be authorized prior to commitment

Significant or non-routine expenditures require prior management approval.
All expenditures must fall within the organisation's annual forecast budget, which includes projected income and expenses for the fiscal year. The forecast budget is prepared annually by management, incorporating programmatic priorities, operational needs, and anticipated funding. It is reviewed by management and formally approved by the Board of Directors prior to the start of the fiscal year.

In the event of unforeseen circumstances, adverse events, or material changes in organisational needs, management may propose budget revisions or reallocations, subject to appropriate internal review and, where required, Board approval.

4.2 Competitive Thresholds

To ensure proportionality and compliance:

- **Routine / Low-Value Purchases:**
  Market awareness and established supplier comparisons are sufficient.
- **Mid-Value Purchases:**
  At least two price comparisons (verbal or written) should be obtained and documented.

- **High-Value Purchases (e.g., equipment, contracted services):**
  A minimum of three written quotations should be requested where feasible.

Where competition is not possible (e.g., sole supplier), justification must be documented and approved.

4.3 Price Monitoring

SKP maintains updated reference pricing for regularly purchased goods, particularly food and kitchen supplies, in order to monitor market fluctuations and ensure continued competitiveness.

The Operations Coordinator is responsible for:

- Maintaining a centralised price log of commonly procured items
- Recording supplier comparisons and observed market changes
- Reviewing and updating the log on a bi-monthly basis
- Reporting significant price fluctuations to management for review

This process supports proactive budget management, strengthens cost oversight, and ensures documentation is available for internal review and donor audit purposes.

5. Documentation and Record Keeping

For every procurement transaction, the following documentation is required:

- Official invoice or receipt
- Supplier identification details
- Description of goods or services
- Date of transaction
- Proof of payment (bank confirmation, card receipt, or signed cash receipt)

No payment or reimbursement will be processed without adequate supporting documentation.

All procurement records are retained in accordance with UK and Greek legal requirements and applicable donor regulations and are available for audit upon request.

6. Payment Controls

Preferred payment methods include bank transfer, debit/credit card, or approved digital payment systems. Cash transactions must be minimised and, when unavoidable, pre-approved and fully documented.

Segregation of duties should be maintained where possible, ensuring that authorisation, payment execution, and record-keeping functions are appropriately overseen.

7. Donor Compliance

When procurement is funded by restricted grants or donor contributions, SKP will:

- Adhere to specific donor procurement rules and thresholds
- Ensure expenditures are allowable, allocable, and reasonable
- Maintain documentation sufficient to meet audit and reporting standards
- Avoid conflicts of interest and related-party transactions unless disclosed and approved

In cases where donor requirements exceed this policy, donor regulations shall prevail.

8. Conflict of Interest

All individuals involved in procurement decisions must disclose any actual or potential conflict of interest. Individuals with such conflicts must recuse themselves from the decision-making process.

9. Policy Review

This policy will be reviewed annually or as required by regulatory, operational, or donor-related changes.