

Dec 2012

## **Delegated Authority Policy – Draft for Discussion** **Brooklyn Scouts Joint Parent Leaders Committee** **Brooklyn Scout Hall, Harrison St, Wellington**

LAST UPDATED: December 2012

**Purpose** To provide guidelines about level of expenditure that can be undertaken by leaders and committee members for the benefit of the Brooklyn Scout Group. These result in efficient operations that provide flexibility in the operations, while maintaining an appropriate level of oversight of funds utilised along with their purpose by the wider committee. This document provides guidance across two main areas:

- 1) Guidance of the methods by which payment can be made from Group Accounts; and
- 2) Authorisation of leaders/committee member to expend group funds up to stated limits without a pre-approval required by the Committee.

**Methods of Payment** The Scouts New Zealand publication titled “Managing Group Finances<sup>1</sup>” states in section titled “Leaders Expenses” on page 12 that leader expenditure may be carried out by either:

- 1) A written/email request for prepayment of funds from Group Accounts to a Leader’s personal account in advance of purchase, followed by receipts/documents to confirm expenditure, followed by any surplus being returned to the Group.
- 2) A written/email request for prepayment of funds from Group Account to a personal bank travel card (debit card) solely for the use of Scout use, followed by receipts/documents confirm expenditure, with any surplus remaining on the card for future Scout use.
- 3) Payment by cheque direct from Group Accounts to the supplier
- 4) Direct payment by internet banking to the supplier upon receipt of an invoice by the Treasurer.

Historically the Brooklyn Scout Group has allowed for leaders to undertake payment of expenses using personal funds, claiming back to the Group with supporting receipts/invoices. While the publication does not preclude this method, it does not expect that this method needs to be undertaken with good planning and process.

It is recommended that the Group utilise direct payment using internet banking wherever possible, based on invoices or signed and authorised expense claims. Following that, the Group will support the other methods of payment (including reimbursement of payment from personal funds) , in accordance with the preference of the individual.

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<sup>1</sup> Documented embedded in this document in Appendix 1

## Delegated Authority

The publication also notes that:

*“all funds received must be banked so that there is a record of the funds passing through the bank account. There must be no exceptions to this rule. It’s essential that the financial transactions of the Group are transparent and can be followed by any committee member, leader or auditor.*

*All payments must also be made by cheque or internet direct payment so that the transaction appears on the bank statement and can be traced.*

*All payments must be approved by the Group Committee and may be approved in advance and then ratified at a subsequent meeting. The purpose of this is so the Treasurer can pay accounts by the due date and not delay payment until the next committee meeting. This assumes that the person purchasing the goods received approval from the committee to purchase the goods at a specific price before making the purchase.”*

This Delegated Authority Policy provides standing approval by the Committee for expenditure in accordance with this policy.

### In summary:

- All money IN and money OUT of the group flows through the bank accounts – NO ‘netting off’ of cash held.
- No approval to spend or commit to expenditure unless authorised by the Committee in advance, or under this policy.

## Level of Expenditure

This section outlines the Delegated Authority for Level of Expenditure:

**General Activity Expenditure** This is for funds for activities carried out as part of the weekly section meetings, such as art/craft materials, pool entry etc.

- Section Leaders to refer to previous months Treasurers Report to confirm
  - level of expenditure in the General Activities section of the report is below budgeted amount; and
  - Sufficient funds remain in the Group Account
  - the planned expenditure is appropriate for the point in the annual budget cycle, i.e. not so high early in the year as to introduce risk of cash run out before year-end.
- Section Leaders may authorise expenditure for General Activities up to the annual amount specified in the General Activities for their section in annual budget approved at the AGM.
- Expenditure must be limited to consumables and operational expenses for the benefit of youth, and should not include asset/equipment purchases, which are covered separately below.
- Leaders to maintain receipts/invoices/proof of expenditure and submitted these for reimbursement/proof of expenditure.
- Treasurer to tag any expenditure in the bank reference/monthly reports as “GA – Section” where Section is Keas, Cubs, Scouts or Venturers as appropriate.

- Where the budgeted amount has been reached within the year, the section must seek approval from the Committee for further expenditure allowance.

**Specific Activity Expenditure** This is for fund utilised for specific activities such as camps and activities where a separate activity fee is charged that is expected to fully cover the cost of the activity.

- Activity Leader to complete an Activity Accounting form in advance of the activity showing expected income and expenditure to plan for income to cover expenditure
- Expenditure must be limited to expenses for the activity, and should not include asset/equipment purchases which are covered separately below.
- Costs may be prepaid as per the Methods of Payment section above, with the provision of the activity accounting form.
- Any costs paid as a reimbursement will be paid upon provision of receipts/invoices/proof of expenditure submitted
- Treasurer to tag any expenditure in the bank reference/monthly reports as “SA – Section - Activity” where Section is Keas, Cubs, Scouts or Venturers as appropriate, and Activity is the name of the activity.

The Group may elect to partially fund an activity, however this must be agreed by the Committee prior to the activity taking place (in order to set the activity fee at the appropriate level).

**Training & Development** This is for any activity for leader, parent and youth development, such as First Aid Courses, Sandford/Cosgrove/Woodbadge courses etc. The Group Leader will approve all training requests prior to training costs being incurred.

- Group Leader to refer to previous months Treasurers Report to confirm
  - level of expenditure in the Training & Development section of the report is below budgeted amount; and
  - Sufficient funds remain in the Group Account
  - the planned expenditure is appropriate for the point in the annual budget cycle, i.e. not so high early in the year as to introduce risk of cash run out before year-end.
- The Group Leader may authorise expenditure for Training & Development up to the annual amount specified in Training & Development for their section in annual budget approved at the AGM.
- Expenditure must be limited to training and development for the benefit of youth, leaders and parent helpers for their role and activities as it relates to Brooklyn Scouts.
- Group Leader to maintain receipts/invoices/proof of expenditure and submitted these for reimbursement/proof of expenditure. Preference is for training to be direct debit paid by internet banking.
- Treasurer to tag any expenditure in the bank reference/monthly reports as “Training & Development” with course details as appropriate.
- Where the budgeted amount has been reached within the year, the Group Leader must seek approval from the committee for further expenditure allowance.

**Quartermaster Allowance** This is for equipment purchase, maintenance, replenishment and replacement of the Group assets, such as camping equipment, gas bottle repairs etc. (Note: the use of the term “assets” should not be deemed to be an accounting treatment definition. It refers here to items that we expect to benefit from repeated use of.)

- Quartermaster to refer to previous months Treasurers Report to confirm
  - level of expenditure in the Equipment section of the report is below budgeted amount; and
  - Sufficient funds remain in the Group Account
  - the planned expenditure is appropriate for the point in the annual budget cycle, i.e. not so high early in the year as to introduce risk of cash run out before year-end.
- Quartermaster may authorise expenditure for Equipment up to the annual amount specified in the Equipment section in annual budget approved at the AGM.
- Expenditure must be limited asset/equipment expenses for the benefit of youth.
- Expenses must be under \$250 per single purchase (or set of related purchases). Any purchase above \$250 must first be approved by the committee.
- Quartermaster to maintain receipts/invoices/proof of expenditure and submitted these for reimbursement/proof of expenditure.
- Treasurer to tag any expenditure in the bank reference/monthly reports as “Equipment - Purchase” where Purchase notates the equipment purchased as appropriate.
- Where the budgeted amount has been reached within the year, the Quartermaster must seek approval from the committee for further expenditure allowance.
- Any large items wishing to be purchased should be collated by the Quartermaster, who will prioritise against other requests will submit to the committee for approval.

**Hall Minor Maintenance Expenditure** This is for funds costs incurred in the minor upkeep of the hall, such as minor improvements (e.g. door knobs, hinges, hooks) and cleaning products..

- Committee Members or Leaders to refer to previous months Treasurers Report to confirm
  - level of expenditure in the Hall Consumable/Upkeep section of the report is below budgeted amount; and
  - Sufficient funds remain in the Group Account
  - the planned expenditure is appropriate for the point in the annual budget cycle, i.e. not so high early in the year as to introduce risk of cash run out before year-end.
- Committee Members or Leaders may authorise expenditure for Hall Maintenance/Upkeep up to the annual amount specified in the Hall Maintenance/Upkeep in annual budget approved at the AGM.
- Expenditure must be limited to cleaning products and small items for hall improvement below \$100 in value per single purchases (or set of related purchases).
- Committee Members or Leaders to maintain receipts/invoices/proof of expenditure and submitted these for reimbursement/proof of expenditure
- Treasurer to tag any expenditure in the bank reference/monthly reports as “Hall Maintenance”.

- Where the budgeted amount has been reached within the year, the committee must approve further expenditure allowance.
- For larger hall improvement projects, separate approval for expenditure must be sought from the committee.

**Stationary Expenditure** This is for funds costs incurred for the running of the group, including stationary, stamps, printing, internet hosting etc.

- Committee Members or Leaders to refer to previous months Treasurers Report to confirm
  - level of expenditure in the Stationary section of the report is below budgeted amount; and
  - Sufficient funds remain in the Group Account
  - the planned expenditure is appropriate for the point in the annual budget cycle, i.e. not so high early in the year as to introduce risk of cash run out before year-end.
- Committee Members or Leaders may authorise expenditure Stationary up to the annual amount specified in the Stationary/Copying/Website in annual budget approved at the AGM.
- Expenditure must be limited to stationary copying and website / online expenditure.
- Committee Members or Leaders to maintain receipts/invoices/proof of expenditure and submitted these for reimbursement/proof of expenditure
- Treasurer to tag any expenditure in the bank reference/monthly reports as "Stationary/Copying/Website".
- Where the budgeted amount has been reached within the year, the committee must approve further expenditure allowance.

Another other expenditure not covered by this Delegated Authority Policy must be approved by the Committee prior to any expense being incurred.

Brooklyn Scouts is not liable to pay costs incurred by parties where this policy has not been followed.

## **Appendix 1 – Managing Group Finances – an operating guide for Treasurers**

The following link takes you to the guide on the Scouts NZ website

[http://www.scouts.org.nz/DesktopModules/XSDocumentLibrary/Components/FileDownloader/XSFileDownloaderPage.aspx?tabid=1259&xsdid=2446&xspid=1&xslrf=/DesktopModules/XSDocumentLibrary/App\\_LocalResources/XSDocumentLibrary&xsl=en-NZ&xsmcs=%2fDesktopModules%2fXSDocumentLibrary%2f&xsuarn=Administrators&xscd=false&xstmid=3808&xsift=1](http://www.scouts.org.nz/DesktopModules/XSDocumentLibrary/Components/FileDownloader/XSFileDownloaderPage.aspx?tabid=1259&xsdid=2446&xspid=1&xslrf=/DesktopModules/XSDocumentLibrary/App_LocalResources/XSDocumentLibrary&xsl=en-NZ&xsmcs=%2fDesktopModules%2fXSDocumentLibrary%2f&xsuarn=Administrators&xscd=false&xstmid=3808&xsift=1)

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