



## Mooloolaba Surf Life Saving Club Incorporated (MSLSC) Financial Delegations

Policy Number	MSLS010 (supersedes policy FI01 16/12/13)
Date Issued	19 July 2019
Approved/Endorsed By	MSLSC Management Committee
Review Date	25/2/2019

### 1. Purpose

- 1.1. The financial delegations policy establishes a framework to safeguard the use of Mooloolaba Surf Lifesaving Club ('MSLSC') funds. The policy ensures the MSLSC Management Committee, contractors and employees are provided with the level of financial authority necessary to discharge their duties and responsibilities on behalf of MSLSC.
- 1.2. This policy exercises the authority assigned to the MSLSC Management Committee under the MSLSC Constitution (Edition 5).

### 2. Scope

- 2.1. The financial delegations set forth in this policy apply to MSLSC Management Committee positions, contracted positions and employees that have been delegated authority to act as a financial delegate on behalf of MSLSC.
- 2.2. The delegations apply to a position, not an individual person, and are limited to the cost centres for which the position has responsibility. A person properly authorised to temporarily act in a position, may exercise the authority delegated to the position unless restrictions are formally communicated by the MSLSC Management Committee in writing.
- 2.3. This policy covers the following financial delegations:
  - 2.3.1. Operating and capital expenditure
  - 2.3.2. Revenue
  - 2.3.3. Related party loans
  - 2.3.4. Operating and capital budget
  - 2.3.5. Banking
  - 2.3.6. Petty cash

### 3. Responsibilities of financial delegates

- 3.1. In exercising financial delegations, delegates must:
  - A. Take steps to ensure they understand the powers delegated to them;
  - B. Act in the interests of MSLSC;
  - C. Act in accordance with applicable legislation and policies;
  - D. Observe any limits or conditions attached to the delegation;
  - E. Consider risks and internal controls;
  - F. Ensure that total MSLSC expenses do not exceed 10% of the approved budget; and
  - G. Ensure that decisions are reasonable, defensible, properly documented and transparent.
- 3.2. A financial delegate must not:
  - A. Split transactions to circumvent financial delegation limits;



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- B. Approve reimbursement of their own out of pocket expenses or other self-related matters;
  - C. Delegate their authority to another person; and
  - D. Exercise their delegation where there is a perceived or actual conflict of interest. If any conflict of interest arises, it must be declared by the delegate.
- 3.3. A delegate is not compelled to exercise their delegation. At times, they may choose to seek advice from the MSLSC Management Committee about a financial delegation; however, the delegated authority remains responsible for the decision.
- 3.4. Any items requiring Management Committee approval are to be sent to the Treasurer who will review the request and provide a recommendation to the Management Committee.

#### **4. Operating and capital expenditure delegations**

- 4.1. The financial limits assigned to positions reflects the club's risk appetite and operational needs. Approval limits specified in Attachment A are restricted to the specified cost centre(s). This is to empower each Management Committee member to take financial control of their portfolio and discharge their duties. For example, the Director of Surf Sports can approve expenses up to the amount specified in Attachment A and only has authority over the cost centres directly related to Surf Sports.
- 4.2. Monetary amounts (including GST) as stated in this policy are the maximum delegated amounts per transaction; however, the delegation limit does not mean that every transaction within that limit can be approved, for example a consultancy expense is limited to specific positions.
- 4.3. Delegations are 'non-cumulative' and expenditure must not be disaggregated to avoid approval limits. Where a financial commitment extends over time, the value attached to the full commitment is the amount requiring approval.
- 4.4. If there is a variation to the original approval which results in an increased cost, the same delegate giving the original approval should also approve the supplementary amount. If the amount exceeds the financial delegate's level of delegation, then it must be referred to another delegate with an appropriate level of authority.
- 4.5. A financial delegation must be exercised in writing (including email) or via the financial management system before goods and services are ordered or purchased. Refer to the MSLSC purchasing policy for further information.

#### **5. Revenue delegations**

- 5.1. The Management Committee has the authority to approve the following revenue items in accordance with relevant policies:
- A. Membership fees;
  - B. Merchandise pricing and discounts; and
  - C. Water safety and event management fees.
- 5.2. Any money raised is for the sole purpose of the MSLSC. The decision of how that money is expensed is at the sole discretion of the Management Committee at the time subject to the applicable Constitution and By-Laws of the MSLSC. All members of the MSLSC acknowledge that no single section has any claim or ownership of monies raised and the Management Committee will determine the availability of monies for non-lifesaving activities on a case by case basis.



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### **6. Related party loans**

- 6.1. The Management Committee has the authority to approve loan repayments from the Mooloolaba Surf Life Saving Supporters Club Inc.

### **7. Operating and capital budget delegations**

- 7.1. The Management Committee has the authority to approve an annual operating and capital budget before the General Meeting that follows the Annual General Meeting.
- 7.2. Once the annual budget has been approved, budget can be reallocated or adjusted on an as needs basis to meet emerging priorities and manage cashflow requirements. If total expenditure is forecast to exceed 10% of the approved budget, then a budget adjustment must be approved by MSLSC members at the General Meeting.
- 7.3. The Management Committee is to review financial performance and cashflow forecast at the monthly management meeting and take appropriate action to address emerging risks and issues.

### **8. Banking delegations**

- 8.1. The Management Committee has the authority to change bank accounts and issue credit cards or other payment cards, as outlined in Attachment A.

### **9. Petty cash delegations**

- 9.1. A petty cash float may be established to efficiently purchase small miscellaneous items. As outlined in Attachment A, the float amount is determined by the Operations Manager and is not to exceed \$500.
- 9.2. Further details regarding the petty cash process and controls is provided in the petty cash policy (to be developed).

### **10. Process for establishing delegations**

- 10.1. All committee members, staff and contractors who have financial delegations are to be advised in writing of their limits and responsibilities. They are to sign the notification letter to acknowledge they have been advised and to accept their delegation. The signed original is to be retained and filed by the MSLSC Treasurer and a copy given to the approved delegate. This process also applies to people properly authorised to temporarily act in a position with a financial delegation.

### **11. Review of delegations and amendments**

- 11.1. This policy is to be reviewed within six weeks of the Annual General Meeting, where Management Committee positions are voted on and finalised.

The financial delegations are to be reviewed quarterly by the MSLSC President, Treasurer and Secretary to determine efficiency and applicability of approved delegations. Any changes to delegations are to be notified in writing to applicable members and included in MSLSC Management Committee meeting minutes.



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### **12. Controls**

- 12.1. The Treasurer will conduct at least two internal audits each year to ensure delegations are properly adhered to.
- 12.2 Any breach or variance of delegation is to be reported immediately to the MSLSC Management Committee through the Treasurer for appropriate action. Unauthorised or inappropriate expenditure of MSLSC funds may be referred for administrative action

### **13. Definitions**

NIL

### **14. References**

- 14.1. MSLSC Constitution (Edition 5, 3 February 2019) MSLSC By-Laws (Version 4, 3 February 2019) SLSC Purchasing and Procurement Policy MSLS030 (Version 1)



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## Attachment A: Financial delegations

*Principles: Delegations aligned to operational needs and MSLSC's risk appetite.*

*N.A.: Not Applicable (no delegation for the transaction concerned).*

Transaction	Comments	MSLSC Management Committee (MC) positions								MSLSC employees or contractors		
		MSLSC MC Vote <sup>(1)</sup>	President	Secretary	Treasurer	Club Captain	Chief Training Officer	Director Surf Sports	Junior Activities Chair	Operations Manager	Finance Manager	Admin Manager / Officers
<b>Operating expenditure</b> (per transaction including GST)		<i>All Divisions</i>	<i>All Divisions</i>	<i>All Divisions</i>	<i>All Divisions</i>	<i>Lifesaving Division</i>	<i>Education / Training Division</i>	<i>Surf Sports Division</i>	<i>Junior Activities Division</i>	<i>All Divisions</i>	<i>All Divisions</i>	<i>All Divisions</i>
Supply of goods and services (except for items listed below)	Within limits of total approved budget for Division and limited to specified cost centres and approved suppliers.	Unlimited	\$1,000	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$250
Emergency purchase	Unavoidable expenses to meet safety, legislative or competition requirements	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Payroll expenses (requires 2 authorised signatories where proposed increase exceeds 5% or salary range exceeds \$50,000)	Approvals in accordance with employment contracts and timesheets	Unlimited	Unlimited	Unlimited	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Utilities & rates		Unlimited	N.A.	N.A.	\$20,000	N.A.	N.A.	N.A.	N.A.	N.A.	Unlimited	N.A.
Professional services	Consultancy, legal, tax/ accounting, HR	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



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Transaction	Comments	MSLSC Management Committee (MC) positions								MSLSC employees or contractors		
		MSLSC MC Vote <sup>(1)</sup>	President	Secretary	Treasurer	Club Captain	Chief Training Officer	Director Surf Sports	Junior Activities Chair	Operations Manager	Finance Manager	Admin Manager / Officers
Extraordinary items	Write-offs, disposals, bad debts and litigation	\$5,000 <sup>(3)</sup>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reimbursements	Refer to purchasing policy	Unlimited	\$1,000	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000	N.A.	N.A.	N.A.
Donations		Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Capital expenditure</b> (per transaction including GST)												
Asset purchases & replacements	Items within the approved budget	Unlimited <sup>(2)</sup>	N.A.	N.A.	\$10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Emergency purchase	Unavoidable expenses to meet safety, legislative or competition requirements	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Related party loan</b>												
Related party loan	Loan to Mooloolaba Surf Life Saving Supporters Club Inc	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Revenue receipts</b>												
Membership fees	In accordance with relevant policies	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Water safety and event management fees	In accordance with relevant policies	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Merchandise pricing and discounts	In accordance with relevant policies	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



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		MSLSC MC Vote <sup>(1)</sup>	President	Secretary	Treasurer	Club Captain	Chief Training Officer	Director Surf Sports	Junior Activities Chair	Operations Manager	Finance Manager	Admin Manager / Officers
Operating and capital budget												
Annual budget	To be approved by members at General Meeting	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Post budget adjustments	If total expenditure is forecast to exceed 10% of the approved budget, then a budget adjustment must be approved by MSLSC members.	Revenue: Unlimited. Expenses: cannot exceed 10% of the approved expense budget	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Banking												
Establishing and closing bank accounts	Can be with new or existing provider	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Changes to bank account signatories	Maximum of 4 signatories	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Bank Account payment authorisation	First and second authorisation must be different positions	N.A.	Yes	N.A.	Yes <sup>(4)</sup>	N.A.	N.A.	N.A.	N.A.	Yes	Yes	N.A.
Issue credit cards or other payment cards		Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Petty cash												
Establish petty cash limit	Refer to petty cash policy	Unlimited	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	\$500	N.A.	N.A.



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**Notes:**

- (1) Request sent to Treasurer. MSLSC Management Committee vote in accordance with by-laws, and must be supported by the President, Treasurer and Secretary.
- (2) Must be in accordance with Capital Expenditure By-Law 7.11 (Version 4) whereby the Club shall notify SLSQ of any proposed capital expenditure over \$100,000.
- (3) Any write-offs above \$5,000 are to be voted on by members at a General Meeting.
- (4) Assistant Treasurer may also approve bank account payments.