
Northern Territory Rifle Association Inc.



Finance & Financial Delegation Policy

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REVIEW DATE	March 2019
LAST AMENDED	N/A

Financial and Non-Financial Delegation Policy & Framework

Purpose:

This Policy sets out the principles and framework for financial Delegations of Authority for the Northern Territory Rifle Association (NTRA) Inc. The policy must be read in conjunction with the Purchase policy and Corporate Debit Card policy.

The policy also sets out the authority by which NTRA Council can delegate its financial powers. Non-financial delegations are outlined at the end of this policy.

Scope and Coverage:

This policy applies to all members of the Council, staff members if it becomes applicable, and members of the NRAA Board. The scope of powers delegated in accordance with this policy is limited to the powers held by the Board; a delegate cannot exercise a power that the Board is not permitted to exercise.

Delegations Framework

The Delegations Procedures comprise an extract of Delegations of Authority granted to NTRA Council but specifically under Board policies and power. It is intended as an easy reference for major decision-points within the organisation; it is not intended to cover all decisions. This policy and accompanying procedures do not relieve Council and Board members from their duty to be fully conversant with source materials which affect them and which give the context and rationale for the exercise of their delegated powers.

Procedures:

These procedures apply to all personnel, including Council and Board members involved in the operation, supervision, management and administration of Northern Territory Rifle Association.

The underlying principles of these procedures are that NTRA financial delegations must be:

- In-line with good corporate governance frameworks;
- that delegates only act within the context of their authority;
- that delegates act with care and due diligence as part of that authority; and,
- In-line with all relevant legislation and corporations' law.

Financial Delegations

In addition to the general principles of delegation, delegates must observe the following while exercising their delegated financial authority to incur expenses or make payments on behalf of the organisation:

Budget Limitation

Delegations relating to expenditure of any kind can only be exercised within the limits of approved budgets. There is no authority to incur expenditure unless there is an approved source of funds. Prior to the authorisation of a requisition, purchase order or any other instrument that provides for the expenditure of money, the delegate must be satisfied that funds will be available within the appropriate budget allocation to meet the account when it is received for payment.

Variation of Original Cost

Where there is an increase in the cost of an acquisition from the original commitment, the delegate giving the original approval must also approve the supplementary amount. If the new amount exceeds the delegate's level of Delegation of Authority, then another delegate with the appropriate level of Delegation of Authority must approve the transaction.

Commitment Decision is the Whole of Life of the Contract

Where a contractual commitment extends over time then, for the purposes of determining the appropriate authorisation level, the value is for the life of the contract or commitment, at the time the commitment is made. For example, the approval level of a ten-year lease is determined by the total of the ten-year expected outlay.

Commitments Consistent with Funding and Legal Agreements

Commitments made by delegates must be consistent with any specific funding conditions and any other relevant legal agreements.

Financial Transactions Cannot be Manipulated

Financial transactions cannot be manipulated to accommodate a particular delegate's financial delegation limit, for example by splitting transactions (see next Section below), or incorporating deductions or trade-ins.

Splitting Transactions

The splitting of transactions is not permitted. The exercise of a Delegation of Authority must relate to the whole transaction and not to parts of it. For example, it is not possible to approve the payment of instalments for the acquisition of an item where the total cost is above the financial limit held by the delegate.

Acquisition of Goods and Services

A contract or order for the acquisition of goods and/or services, either purchased or leased, from suppliers external to the organisation must be made in accordance with the guidelines for such purchases as detailed in Purchasing Policy.

Approval in favour of a More Senior Delegate

A delegate cannot approve accounts-for-payment in favour of a more senior financial delegate, except in the case of payments for less than \$500.

Delegates shall not Approve Accounts for Payment to Themselves

Delegates must not approve accounts-for-payment to themselves, or to their spouse, de-facto partner, child, brother, sister, parent or any other relative, or payments to associated Companies or businesses without obtaining a counter-signature from a more senior financial delegate.

Authorisation of Payment

All payments made by the organisation (either by cheque or electronic funds transfer) require either two authorisations or two authorisers. This may include the approval of expenditure in the first instance by the Executive Officer and then the delegated financial officer (not the same person).

Delegate's Responsibilities

A delegation of authority represents a significant responsibility for those who hold them. Delegates must exercise care and diligence when carrying out their Delegations of Authority. Delegates always

remain responsible for making the decision. Delegates must observe all the principles in this Policy. Delegates can only act within the limits of their Delegation of Authority.

Breach of Delegations

A breach of the provisions of this Policy will be regarded as misconduct or serious misconduct and may be subject to disciplinary action.

Auditing of Delegations and Authorisations

The exercise of Delegations of Authority and Authorisations will be subject to periodic review by the Executive Officer NRAA or Board's appointed delegate. A report of the review will be provided to the Board, including any recommendations arising from the review.

Report Misuse of Delegations or Authorisations

Members who believe that a Delegation of Authority or Authorisation has been improperly exercised should refer the matter to the Executive Officer who will investigate and act according to the outcome of the investigation.

Misconduct in Relation to Financial Delegations

The NTRA Council, will provide recommendation to the Board and the Board will deal with the contravention of this policy for cases of abuse, improper and/or fraudulent use of delegation. This includes but not limited to:

- improper use of the financial delegation where it contravenes the purpose of the use of the delegation; and,
- fraudulent authority of transaction that includes the acquisition of goods and services for personal use or gain.

Disciplinary action will apply to both members and financial delegates authorising expenditure. Disciplinary action may include official reprimand, administrative action, cost recovery, civil prosecution and or criminal proceedings.

Authorisation Levels

Members may be given financial Delegations of Authority based on the business needs of the organisation. Standard financial Delegations of Authority will be based on the approved Authorisation Levels of Positions endorsed by the Board. The Authorisation Levels list the positions that hold financial delegations. Position titles in each Authorisation Level apply to positions listed and/or their equivalent.

Schedule of Authorisation Levels

Level 1 (between \$50,000 to \$1.0m)	Board of Directors
Level 2 (between \$20,000 to \$49,999)	Executive Officer Financial Controller (Board appointed)
Level 3 (between \$5,001 to \$19,999)	Executive Officer or Delegate (Board appointed)
Level 4 (up to \$5,000)	Administration Manager (Executive Officer signature)

Schedule of Financial Categories and Authorisation Level

Category	Authority/Delegation	Authorisation Level	Budget Limit
Office refurbishment	Capital expenditure	Level 1	All amounts
Rental premises	Lease arrangement	Level 1	All amounts
Acquisition of capital equipment	Major capital equipment	Level 1	All amounts
Borrowings	Borrow funds	Level 1	All amounts
Write off debt	Write off Debits	Level 1	Over \$10,000
Write off assets	Write off assets stolen or damaged	Level 1	Over \$10,000
Operating Expenditure	Purchases, internal service charges, journals, reimbursements and enter into contracts for the acquisition of goods and services (excluding capital expenditure)	Level 2	Under \$50,000
Corporate Hospitality	Expenditure for corporate hospitality expenses	Level 3	Under \$20,000
Training	Expenditure on training	Level 2	Under \$20,000
Taxation payments	Apply and pay tax liabilities	Level 4	All amounts
Banking	Apply and pay accounts payable to the banking system	Level 3	All amounts
Banking	Authority to approve pending payables	Level 2	All amounts
Contracts	Approve contracts	Level 3	Under \$20,000
Grants	Approve grants from NTRA funds	Level 1	All amounts
Refunds	Refund payments made to NTRA accounts (any transaction)	Level 3	All amounts
Insurances	Insurance proposals and third party liability charges	Level 4	All amounts
Insurances	Settlement of claims ex-gratia payments personal injury &/or property loss	Level 1	All amounts
Workers Compensation	Settlement of workers compensation claims	Level 1	All amounts
Procurement	Significant procurement of goods	Level 1	Over \$10,000
Corporate Credit cards and Travel Cards	Allocation of corporate and travel cards	Level 1	All amounts
Accounts receivable	Create receivable invoices on behalf of NTRA	Level 5	All amounts
Change of delegation	Change or add delegations either permanently or temporarily	Level 1	All amounts

Schedule of Non-Financial Categories and Authorisation Level

Category	Authority/Delegation	Authorisation Level
Recruitment	Approval to advertise a position including remuneration level and selection criteria and final approval of successful applicant	Level 1
Recruitment	Advertising, collation of applications, selection panel conduct of interview and recommendation to Board	Level 3
Leave applications	Approval of Leave for Staff	Level 3 (except Executive Officer leave must be approved by a Level 1 delegate)
MOUs 7 non-financial contracts	Authority to enter MOUs with other organisations that do not include financial exchanges but could include in-kind support	Level 3
Agreements	Authority to approve agreements on behalf of the organisation	Level 3 & 4