
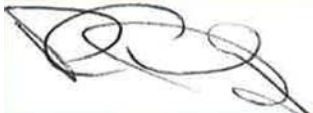


POLICY

Limits of Authority



Issued with the authority of the Chief Commissioner
and Chief Executive Officer of Scouts Australia NSW

Chief Commissioner signature		Chief Executive Officer signature	
Sponsor	Chief Executive Officer		
Document type	Policy	Date of issue	14 May 2018
Document code & no.	POL32	Version number	0.1.0
Document title	Limits of Authority	Due for review	As Required.

Limits of Authority

1 Amendment List

Date	Page Reference	Description of Change
13 November 2006		Various amendments
10 November 2008		Various amendments
8 November 2010		Various amendments
11 November 2013		Various amendments
2015	Page 3	Requirement for Work Specification and 3 Quotes limit increased from \$3000 to \$5000
14 May 2018	Page 7	Amends definition of Short Term Lease from "Up to 12 months" to "Up to 24 Months", insert page numbers and minor format changes.

2 Policy Statement

Scouts Australia NSW and its stakeholders expect the highest level of financial integrity and governance to be practiced by all its Members, management and staff.

The purpose of a limit of authority is to provide a framework for:-

- a) expenditure approvals, and
- b) the approval of business documents (e.g. contracts, licences, applications, etc.) and who is authorised to physically sign those documents (documents that bind the Association towards a commitment).



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3 Expenditure

Expenditure can occur within a limit of authority without requiring additional Committee approval. Operating expenditure can be incurred as long as it falls within the approved budget. Unbudgeted operating expenditure can only be incurred without State Finance Committee (SFC) and ultimately State Executive Committee (SEC) approval if the total annual expenditure is managed so that the final annual result is not adversely affected in relation to the approved budget.

It follows that SFC and SEC approval must be sought in advance for any operating expenditure likely to give rise to a final annual result worse than the approved budget. The process for seeking an increase to an operating expenditure budget is for an operating unit (e.g. State Office Department, Region, Section Department and major State Events such as Jamborees) to request in writing to the SFC or via its representative on the SFC, the increase in budget sought. This application should provide sufficient information to support the increase sought. The SFC will then assess the financial implication of the application and provide a recommendation to the SEC. The operating unit will then be advised in writing of the success or otherwise of the application.

In addition to the above, the Association has established a series of requirements to manage conflicts of interest, and perceived conflicts of interest. For planned services or works above \$5000 in cost, a specification for the work must be created and a minimum of three quotations based on the specification obtained from people qualified to carry out the work. Where this is not possible, a written record of attempts made to achieve this, and why it is not possible, is to be made and filed with the quotation.

In all cases the basis for engagement of a contractor should be documented e.g. appropriate licence, appropriate insurances held, competency etc. Where such work is required to be undertaken by a specially licensed person (such as electrical work or asbestos removal), unless the relevant information is shown on the quotation or invoice, appropriate evidence of that qualification is obtained and filed with the quote(s).

The Association's Conflict of Interest Register must be completed and submitted to State Office quarterly.

Scout Development Fund Grants and Loans

The initial issuing of a grant and/ or loan, including any repayment plan, is by resolution of the SEC after recommendation by the State Asset Committee and State Finance Committee. Once a grant is approved by the SEC, its administration and review would then be delegated.

For many years the Association has provided "Start Up Grants" (maximum of \$4000) to new Scout Groups to assist with the initial costs of starting up a Scout Group, including training. Start Up Grants are awarded at the discretion of the Region Commissioner, and are monitored by them.



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They can be awarded to brand new Scout Groups, or dormant Scout Groups re-starting (but only after an absence or recess of at least 12 months). They can also be awarded to new or dormant Formations such as Fellowships that encompass Youth Members (e.g. Gang Show Fellowships), etc. They can be awarded, on a limited basis, to new or dormant Sections (but at 50% funding compared to Groups and Formations).

For Groups and Formations, Start Up Grants are a maximum of \$2000 for start up costs (e.g. equipment, badges, materials, etc.) PLUS a maximum of \$2000 for Leader training. For Sections, a maximum of \$1000 for start up costs PLUS a maximum of \$1000 for Leader training may be provided. The grants should involve, as much as possible, payments that can be made by the State Office so that GST is credited back to the Association. The grants are awarded with the expectation that the new or dormant Group, Formation or Section undertake a strong local fundraising program to support their other financial needs.

The administration and review of all other grants (including property related grants) is delegated to the State Asset Committee and State Finance Committee unless otherwise redirected by the SEC.

Capital

Capital expenditure can be incurred by an operating unit if it does not exceed the following limits:

Regions (10) - via Region Executive decision	Individual amounts up to \$10K, Annual limit \$20K
CSP, BPSC - via Business Manager - Activity Centres	Individual amounts up to \$10K, Annual limit \$20K
Air Activity, Alpine, Water Activity Centres - via Centre Management Committees' decision	Individual amounts up to \$5K, annual limit \$10K
Chief Commissioner # (including deputies)	Individual amounts up to \$5K, annual limit \$20K
Chief Executive	Individual amounts up to \$5K, annual limit \$10K

All amounts quoted are exclusive of GST.



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= Single limit. Chief Commissioner can choose to delegate to deputies, but this total remains.

The maximum delegated authority is the lower of the authorised budget or limit as set in the above table. A list of specific individuals responsible for each organisational unit will be maintained by the SFC as part of the budget process. Usually this individual will be the same as the budget/"cost centre" owner.

A Capital Expenditure Request (CER) with CER number must still be sought from State Office for all expenditure within these limits. Written authorisation from the specified individual for the operating unit must accompany such an application along with the prescribed State Office form.

Any capital expenditure, budgeted or not, outside of these limits must be first submitted to the Asset Committee for recommendation, then to the SEC for approval prior to any expenditure being incurred on behalf of Scouts.

Emergency Expenditure

Should a cost centre have exceeded its Limit of Authority for the Scout financial year, or not have a sufficient operational budget for the purpose, and has an urgent requirement to replace equipment (e.g. campsite cannot operate without this equipment) then the owner of the cost centre can proceed if < \$10000 providing at least 2 quotes are obtained and a letter of justification is submitted immediately to the State Finance Committee. If > \$10000 email approval must be obtained from the Chairman of the Asset Committee prior to expenditure together with, where possible, a minimum of 3 quotes.

Monitoring and Application of Expenditure Limits

The SFC will monitor operating results and capital expenditure totals and, when limits are likely to be exceeded, will advise the SEC and work with the relevant operating unit. It is the responsibility of the operating unit to engage the SFC if limits are likely to be exceeded. In the event an annual limit is reached or exceeded, approval must be sought from the SEC for an increase in the limit to the end of the financial year. If an increase in the limit is not approved, prior SEC approval must be sought for each expenditure item over this limit.

The SFC will review the Limits of Authority at least annually as part of the budget process. The SFC will then recommend to the SEC the Limits of Authority for each financial year.



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Fundraising

If fundraising or grants are obtained by an operating unit, that unit should be able to acquit those funds as it sees fit, and within any requirements that come with the funding. Any funds raised should be recorded as such in the accounts and the intended use of those funds identified.

Capital items that have the potential to be funded by donations, specific fundraising or grants should be identified in advance so that when the funds are available they are released for that specific purpose.

Other Income

The State Finance Committee must be alerted when budgeted income will not be achieved within the financial year and will result in the bottom line not being achieved.

The SEC must be alerted to situations where proposed rental income has not been paid for a period of 3 months or if legal action is pending.

4 Signing of Documents and Making Commitments that Bind the Association

The following table presents a series of examples of documents that require signatures from people within the Association. For each type of document, three pieces of information should be noted:-

- 1) Which level of the Association, and/ or which person in Scouting, is authorised to approve the document (e.g. the works associated with the document), hence requiring a signature for the document;
- 2) Which level of the Association, and/ or which person in Scouting, is authorised to physically sign the document on behalf of the Association, and
- 3) Which types of documents require legal advice through the Chief Executive's office before signature or commitment.

Not every type of document or commitment is listed in the table. Apart from the examples provided, the table is intended to be a guide for Members to follow when considering any type of document requiring a signature on behalf of the Association, or any type of commitment to be made on behalf of the Association.



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If at any time it is unclear what documents can be signed by which party, please consult the Chief Executive on Ph: 9735 9000.

5 Sample Documents

Key:

A = Approved delegation to proceed (e.g. the works associated with the document)

◆ = Approved delegation to physically sign the document (or in the case of some grant applications, to submit the application or agreement electronically)

L = Requires legal advice through Chief Executive's Office

All Scouts contracts (which include licenses, documents, agreements, applications, registrations and declarations) must be approved as per the following State Executive Committee (SEC) approved delegated limitations:

Document Type (including examples)	Groups	Regions	Employed Staff	Chief Executive (Sometimes requires Company Seal)	SEC (Sometimes requires Company Seal)
Leases - Property Leases - Car leases Long term (over 24 months) Short term (up to 24 months)				A ◆	L A ◆
Licenses - Aquatic Licenses (Regattas) - Property Licenses; includes Hall Hiring Licenses (Non-Scout, Guides, GKR Karate, Playgroup, Crown) Short term Licenses Council Licenses - sometimes Councils will give tenure under a Licence Agreement and not a Lease.				A ◆ L A ◆ A ◆	



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Document Type (including examples)	Groups	Regions	Employed Staff	Chief Executive (Sometimes requires Company Seal)	SEC (Sometimes requires Company Seal)
Building Contracts Other Contracts - Contracts for sale, Communications, IT Services, Commercial Business (OEE and Black Stump), Management Service Contracts (e.g. Alpine Activity Centre) > \$10 000 < \$10 000 Local Contracts - E.g. Rubbish Removal, Repair Services at Campsites <\$10 000 - Local contracts at Scout Group level <\$5000				♦ L ♦ L A ♦	A A
Development Applications < \$10 000 > \$10 000				A ♦ ♦	A(PC)
Agreements - Department of Community Services Agreement plus Certificate regarding remuneration payable to employees of sub- contractors. - Scout/Guide Joint Management Agreement (Property) - Perisher Blue Tour Operator Agreement for Alpine Centre - Agreement with Lend Lease for fundraising event Erina Fair - Rental Agreements, Real Estate Agency Agreements				A ♦ A ♦ A ♦ A ♦ ♦	A (PC)



Document Type (including examples)	Groups	Regions	Employed Staff	Chief Executive (Sometimes requires Company Seal)	SEC (Sometimes requires Company Seal)
Grant Applications - Commonwealth Volunteer Grants (for Scout Groups/Campsites) by FAHCSIA - State Government Community Building Partnership Grants - Woolworths Grants	A ♦ A ♦ A ♦				
- CDSE Grants (up to \$10,000) - BP Fuel Grants (\$50 vouchers) - NSW Department of Sport and Recreation Grants - (Participation or Facilities)	A ♦ A ♦ A ♦				
Major Grant Applications for Scouts Australia NSW - Federal Government Jobs Fund - Trusts and Foundations - Other Grant Agreements/Contracts - Commonwealth Volunteer Grants (for Scout Groups/Campsites) by FAHCSIA		A ♦	A ♦ A ♦ A ♦		



Document Type (including examples)	Groups	Regions	Employed Staff	Chief Executive (Sometimes requires Company Seal)	SEC (Sometimes requires Company Seal)
<ul style="list-style-type: none"> - State Government Community Building Partnership Grants - Woolworths Grants - COSE Grants - BP Fuel Grants - NSW Department of Sport and Recreation Grants - (Participation or Facilities) <p>Major Grant Applications for Scouts Australia NSW</p>	<p>A ♦</p> <p>A ♦</p> <p>A ♦</p>	<p>A ♦</p>			
<ul style="list-style-type: none"> - Federal Government Jobs Fund - Trusts and Foundations 				<p>A ♦</p> <p>A ♦</p>	
<p>MOU's</p> <ul style="list-style-type: none"> - between Scouts Australia (National) and Scouts NSW regarding use of Scouts Australia Trademark - between Scouts NSW and SOPA - between Scouts NSW and National Parks & Wildlife 				<p>♦L A</p>	
<p>Registrations</p> <ul style="list-style-type: none"> - Vehicle, Trailers, Boats (with authorising letter from employed staff to register on behalf of the Association) 	<p>A ♦</p>				



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Document Type (including examples)	Groups	Regions	Employed Staff	Chief Executive (Sometimes requires Company Seal)	SEC (Sometimes requires Company Seal)
Statutory Declarations				◆ L A	
Cheques (see below)	A ◆				
Bank Accounts	A +				
Tax File Number Declarations			A ◆		
Working with Children Check and Police Check - Only authorised personnel able to request check			A ◆		
Payroll/Staff Employment Matters				LA ◆	
State Office Letterhead			A ◆		

7 Approval Rules and Other Issues

Individuals cannot approve their own agreements - approval is required by the next higher level approver.

Approval limitations can only be delegated on a temporary basis. When the Chief Executive is on leave (e.g. annual, personal, etc.) his/her approval limitation is delegated to the second and third in charge Managers. At the time of approving this paper, Graham Bargwanna is the Chief Executive; Rosalie Batistoni (Communications and Development Manager) is the second in charge; and Phil Jennings (Operations Manager) is the third in charge.

The Chief Executive has the authority to approve all payroll related payments, subject to the Performance Management System approved by the SEC.

Cheques and Bank Accounts must be operated in accordance with policy as set out in the Organisation and Information Handbook.

All approvals are marked at the lowest level. All above that level can approve.



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