



## Delegated authority for expenditure

This policy sets out the authorisation required for different levels expenditure. The aim is to allow flexibility over spending for efficient running of the club, whilst providing robust safeguards against expenditure which is not in the interests of members or not aligned with the long term priorities of Council.

### Definitions

The expenditure limits for the different levels of authorisation apply to:

- The purchase price of capital assets, or
- The total cost of capital projects, including the various purchases that may be required to complete the project, or <sup>1</sup>
- Recurrent charges, where the total cost of the first year is taken to be the expenditure that must fall within the limit shown.

Both prices and limits are inclusive of VAT.

### Authority of the Treasurer

The Treasurer must be made aware in advance of the organisation committing to any spend over £1,000. If the Treasurer is not satisfied that the expenditure is clearly consistent with the long term financial health of the organisation, then the expenditure cannot proceed without approval of full council. This is a 'tripwire' to help protect the long term financial stability of the organisation. Furthermore, the Treasurer will track whether cumulative expenditure exceeds allocated budget and refer to Council this threshold is crossed.

### Required authorisation:

#	Limit	Required Authorisation <sup>2</sup>
1	£100 – cumulative to allocated department budget each quarter.	
2	£400 - cumulative to allocated department budget each quarter.	Relevant Flag Officer <sup>3</sup>
3	£1,500 – cumulative to allocated department budget each quarter.	Commodore + relevant Flag Officer
4	£4,000 – cumulative to allocated department budget each quarter.	Commodore + two Flag Officers
5	£50,000	Vote of full council
6	Over £50,000	Vote of membership at General Meeting

### Approval on estimates

Sometimes, the total expenditure will not be known accurately in advance. Approval may be sought for expenditure up to a ceiling figure, without further approval being required after securing final quotes.

<sup>1</sup> E.g. limit applies to the total cost of replacing a roof, not constituent purchases within that project.

<sup>2</sup> The 'Required authorisation' is in addition to the requesting member of Council.

<sup>3</sup> 'Relevant flag officer' means Vice for waterside and Rear for shore side.

### Funding applications

- Applications for funding (such as grants) of up to £2,000 require approval of the Treasurer, Commodore and one other Officer (Company Director).
- Applications for funding over £2,000 require approval by majority vote of the Management Committee.

### Petty Cash

The authorisation limits shall also apply to the use of Petty Cash. Additional controls on the use of petty case are set out in the Petty Cash Policy and Procedure.

### Exceeding allocated department budget

If a department reaches its budget limit, any further expenditure requires a higher level of authorisation – at the next level up.

For example, requests for minor expenditure under £100 from a department that had reached or exceeded its quarterly budget could only be approved with the agreement of Commodore and relevant flag officer (so, a level two authorisation for a level one expenditure).

### Allocated department budgets

Annual departmental budgets will be discussed / negotiated between the lead volunteer, relevant flag officer and Treasurer and subject to a vote of Council.

### Vacancies

If the position of Vice Commodore or Rear Commodore is vacant, another member of Council, appointed by Council, will fulfil the responsibility of a 'relevant flag officer' under this policy.

### **Approved at Council meeting 21<sup>st</sup> May 2022**

Amendment agreed by Council 21<sup>st</sup> January 2023 – adding the 'Vacancies' section.

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