



Policy Title: Delegated Authorities

<i>Version: 1.0</i>	<i>Approved by: 5MBS Board</i>
<i>Effective Date: 28 August 2019</i>	
<i>Review Date: 28 August 2021</i>	
<i>Administered by: 5MBS Risk & Audit Committee</i>	

1. Purpose

The 5MBS Board is an entity composed of representatives elected by the 5MBS members. As the Board is not a “natural” person, it can only act in one of two ways: by resolution or through others acting on its behalf.

Where the Board chooses to act through 5MBS management, it is recommended that formal written delegations of authority, being this document, be created.

This Policy defines authorities delegated from the Board of Directors of 5MBS to the Station Manager and paid 5MBS staff to make decisions binding the Association.

The Policy clarifies powers that are reserved to the full Board of Directors, and communicates to all staff and volunteers the authority levels and requirements for approval with respect to resource and expenditure decisions.

2. Scope

The Policy applies to all 5MBS paid staff, 5MBS Board members, volunteers and contractors engaged in work on behalf of 5MBS.

It covers any commitments made on behalf of the Association which bind it through contractual commitments, legal relationships, or any form of financial commitment including the establishment of employment relationships.

3. Policy Content

3.1 Authorities Reserved by the Board

The Board has the following authority in addition to that specified in the Board Charter:

1. To organise, administer, and operate the 5MBS Board.
2. To review any additions or changes to the powers and duties assigned to the Board as may be required by the enactment of new law or the Rules of the Music Broadcasting Society of South Australia Inc.
3. Setting and overseeing the strategic direction and approving the Strategic Plan. The Board delegates responsibility for the implementation of the Association’s Strategic Plan to the Station Manager.
4. To prepare and approve the business plan as required.
5. To approve the annual budget. The Treasurer is responsible for preparing the annual budget.
6. To approve changes in the structure of Membership fees.

7. To approve Board policies.

The Board reserves all rights to revoke or revise this delegation of authority in part or in whole, at any time, and at its discretion

3.2 Financial Delegation

Limits of authority (as per tables below) will be based on the level of seniority, functional activity and role of 5MBS board, paid staff and volunteers, as well as various levels of authority to commit and expend funds.

3.2.1 Operating Expenditure

The Board delegates the responsibility for approval of purchasing and expenditure for items other than capital items to Management in accordance with 5MBS policies and the Board approved annual budget as per the following delegations:

Approver	Operating Expenditure Amount (excl of GST)
Station Manager and Chair	Greater than \$5,000
Treasurer (in the absence of the Station Manager)	Up to & including \$5,000
Station Manager	Up to & including \$5,000

3.2.2 Capital Expenditure

Proposals for capital expenditure outside of the annual budget process should be sufficiently detailed to explain the rationale for proceeding with a purchase and the analysis undertaken in considering alternatives.

The following table summarises the delegated approval authorities for capital expenditure not included in the annual budget, and the documentation required to support a proposal.

Approver	Capital Expenditure Amount (excl of GST)	Required Documentation
Board of Directors	Greater than \$5,000	Business Case
Treasurer or Station Manager	Up to & including \$5,000	Explanatory memorandum

Items sold need to be recorded by the Station Manager before the item leaves Association's premises. The Station Manager is to be advised of items scrapped or donated which are to be recorded in the finance system and assets register.

3.2.3 Approval process for expenditure

The following process is to be followed when an invoice is received by the Association:

1. Station Manager approves the invoice, if appropriate. In the absence of the Station Manager, the Treasurer will approve the invoice, if appropriate.
2. The payment is entered into the accounting software by the bookkeeper.

3. The payment is entered into the bank by the Treasurer or, in the absence of the Treasurer, by the bookkeeper, which is not the bookkeeper entering the payment into the accounting software.

3.2.4 Account signatories

Account signatories and details of receipts and payments are detailed in the table below:

Account	Signatory	Details
Operating Account – Cheque Payments	Treasurer Station Manager Assistant Manager Designated member of Coordination Committee	Used for payment of Operating expenses by cheque
Operating Account	Treasurer Bookkeeper	Used for the general operations of the Association
Public Fund Account	Treasurer	Reconciliations of donations to be done on a regular basis and transfers from the Operating Account to be done accordingly in order to comply with DGR status Transfers to the Operating account in order to manage the cash flow of the Association
Term deposits	Treasurer	Treasurer to advise Board when Term Deposits are due and Treasurer to roll-over or transfer funds in accordance with Board approvals

3.3 Contractual Delegation

The authority to execute any formal contract (for example, but not limited to, licences, leases and changes to bank accounts) is reserved to the Board Chair who is authorised to sign contracts alone on behalf of the Association after Board approval.

The Station Manager will be supported in the negotiation and management of contractual commitments by the Board.

Employees, volunteers and the Station Manager are advised to be clear in discussions with suppliers, service providers and contractors that they do not have the authority to bind the Association in any form of commitment.

3.4 Other Delegations

3.4.1 Employment Commitments

The Station Manager is authorised to act for the Board regarding matters concerning volunteers. Approval of the employment of all staff members is reserved to the Board, whether it is to fill a new position, or replacing a staff member who has left. However, the Station Manager will provide adequate and timely briefings to the Board, through the Finance, Audit & Risk Committee on any employee or potential employee issues.

The signing and execution of all employment contracts is a responsibility reserved for the Board.

4. Related Documents

Relevant documentation includes:

- 5MBS Constitution
- 5MBS Board Charter V4
- 5MBS Strategic Plan
- 5MBS Business Plan
- 5MBS Annual Budget
- TOR Finance, Risk & Audit Committee

5. Legislation

Relevant legislation includes:

- Corporations Act, 2001 (Commonwealth)

6. Policy Approval History

This policy replaces the following policies and process documents:

- Bank accounts and account signatories

Approved

Date 28 August 2019

Chair of 5MBS Board