

	Policy Name	SPENDING APPROVAL POLICY
	Policy Number	FIN-001
	Created By	R. Campbell (June 2020)
	Approved By	Board of Directors
	Date Approved	October 27, 2024

SPENDING APPROVAL POLICY

1. PURPOSE

The purpose of this policy is to establish business rules and guidelines with respect to the Alpine Club of Canada's ("Club") financial spending approval authority. It outlines to whom and when financial spending approval authority may be delegated.

2. APPLICATION AND SCOPE

This policy applies to all Club staff, contractors and Board members responsible for financial spending decisions. This includes spending for goods and signing contracts for future spending.

3. OUTCOMES

The goals of this policy are to ensure that the delegation of financial spending approval authority is responsibility-based, and that any outlay of financial resources of the Club will be prudent, fiscally responsible and within budgeted allocations.

4. MANDATORY REQUIREMENTS

4.1 Expense Approval Rules

- 4.1.1 A person cannot approve their own expenses.
- 4.1.2 The financial spending approval authority level will be assigned based on an individual's job role, and will be confirmed to each individual in writing from the Executive Director. The levels are outlined in section 5.

4.2 Non-Budgeted Spending

- 4.2.1 If an expense is not currently in the approved budget, approval must be sought from the Board of Directors before committing the expense. Typically budget supplements will be approved by the Board of Directors at the next Board meeting. In urgent situations a Finance Committee designate and/or the President may approve spending that is not budgeted up to \$5000.

4.3 Financial Spending Approval Authority Assigned to Positions

- 4.3.1 Financial spending approval authority is approved by either the Executive Director or Finance Committee, or the President, as outlined in Section 5.
- 4.3.2 Before committing any spending of greater than \$10,000, the ED and/or the Finance Director should be notified and budget confirmed.
- 4.3.3 Staff with financial spending approval authority are expected to manage their area of responsibility within the limits of the approved operating and capital budget. If the expense has not been approved or budgeted, approval must be approved in line with 4.2.1.

- 4.3.4 A staff member who has been appointed in an “acting” capacity assumes all the authorities and responsibilities of that position.
- 4.3.5 Where a staff member is on vacation, their approval can be delegated or assumed by the Executive Director. or their direct manager.
- 4.3.6 Delegated financial spending approval authority once assigned, cannot be further delegated unless it's to that individual's direct manager or the Executive Director.
- 4.3.7 Delegating of an individual's financial spending approval authority does not release their financial accountabilities of that position.

4.4 Additional Rules

- 4.4.1 Splitting a transaction for the purpose of meeting a financial spending approval authority level is not permitted.
- 4.4.2 Board members cannot commit any spending nor sign contracts on behalf of the club. Board members can only recommend spending to the ED. If the spending is in the approved budget, the ED may complete the spending. If the spending is not in the approved budget, the ED will seek a budget change order. Budget change orders will be subject to the rules of spending approvals set out in Section 5.

4.5 Compliance

- 4.5.1 All invoices or expenses must have a formal approval, which can either be the signature of the respective approver, or an email from that individual with approval stated in email text.

4.6 Consequences of Non-Compliance

- 4.6.1 Should any individual not follow the Spending Approval policy, they risk the Loss of their financial spending approval authority privileges and/or disciplinary actions up to and including termination.

5. SPENDING APPROVAL LEVELS

Spending approval levels vary based on the type of expense and the total amount, and only apply to budgeted expenses. Should an expense not be budgeted, the procedure in 4.2 should be followed.

Approvals can be sought for a total contract and the individual invoices for the contract. Approvals should be considered outside of the initial procurement process. For example, a construction contract of \$300,000 would require approval by the President based on 5C. Each individual invoice will also require approval based on 5B. The selection of the contracted vendor would not be part of the approval process.

5A. SPENDING APPROVAL AUTHORITY LEVEL FOR OPERATING EXPENSES

Operating expenses must all be currently budgeted and approved by the Board.

Note that for employee-related expenses, people cannot approve their own expenses. Employee related expenses are to be reviewed by the employee's direct manager or the Executive Director. All expenses by Executive Director to be reviewed by Treasurer or President.

Note that the currency for all the limits below is in Canadian Dollar (CAD \$)

Total Amount	Minimum Approval Required
Less than \$1,000	Existing and approved Budgeted item must be approved by any Permanent Full-Time Employee as assigned by Executive Director, and the Finance Director
\$1,001 to \$10,000	Existing and approved Budgeted item must be approved by any Director-Level Club Employee as assigned by Executive Director, and the Finance Director.
\$10,001 to \$25,000	Existing and approved Budgeted item must be approved by the Executive Director (or the Operations Director in the absence of the ED).
\$25,001 to \$50,000	Existing and approved Budgeted item must be approved by the Executive Director and the Finance Committee (or a Committee Designate).
\$50,001 and above	Existing and approved Budgeted item must be approved by Executive Director, Finance Committee (or a Committee Designate) and the President.

5B. FINANCIAL SPENDING APPROVAL AUTHORITY LEVEL FOR CAPITAL EXPENDITURES

Capital Expenditures are any spending to acquire or maintain a fixed asset, and this spending will be amortized. For example, the construction of a new Hut.

Total Amount	Minimum Approval Required
Less than \$ 50,000	Existing and approved Budgeted item can be approved by the Executive Director
\$ 50,001 and above	Existing and approved Budgeted item is approved by the Executive Director and the Board of Directors (or a designated member).

5C. FINANCIAL SPENDING APPROVAL AUTHORITY LEVEL FOR CONTRACTS

Any financial commitment that lasts greater than 6-months requires approval in addition to any approvals required in 5A and 5B. Note that employment contracts are assumed to be over 2 years, and should be budgeted and approved as part of the yearly budgeting process.

In addition to the rules below:

- Any contract with a total value between \$100,001 and \$250,000 must be approved by the Finance Committee
- Any contract of \$250,001 or more must be approved by the President as well

Total Duration	Minimum Approval Required
Less than 6 months	Existing and approved Budgeted item can be approved by any Director-Level Club Employee as assigned by Executive Director
6 months to less than 2 years	Existing and approved Budgeted item can be approved by the Executive Director
Over 2 Years	Existing and approved Budgeted item can be approved by Executive Director, Finance Committee (or a Committee Designate) and the President

REVISION HISTORY

Revision	Date	Description
Rev A, B, C, D	July 05, 2020	Creation and Revisions of policy
Rev 1.1	September 12, 2021	Reviewed by Keith Sanford
Rev 1.2	October 20, 2021	Reviewed by K Sanford and L White
Rev 1.3	October 27, 2024	Reviewed by K Sanford and C Salvv