Spending and Financial Delegation Policy

Darling Downs Potters' Club Ltd

Purpose

This policy establishes a framework for the authorisation, control and oversight of expenditure to ensure the funds of the Darling Downs Potters' Club are used responsibly, transparently and in accordance with the duties of the directors.

1. Scope

This policy applies to:

- Directors of Darling Downs Potters' Club's board.
- Committee coordinators authorised by the board to incur expenditure.
- All financial commitments and transactions undertaken in the name of Darling Downs Potters' Club.

2. Legislative context

This policy is governed by the Corporations Act 2001, including the duties of directors to:

- Act in good faith and in the best interests of the organisation.
- Use powers for a proper purpose.
- Avoid misuse of position or information.
- Exercise due care and diligence.

3. Definitions

For the purposes of this policy, authorised person means a director, coordinator or other person authorised by the board to incur expenditure or approve payments under this policy. Financial commitment means any purchase, order, contract, agreement or other arrangement that commits Darling Downs Potters' Club to spend funds.

4. Policy statement

Darling Downs Potters' Club is committed to:

- Strong financial governance and internal controls.
- Clear accountability for all expenditure.
- Prevention of fraud, misuse or unauthorised commitments.
- Ensure all spending aligns with the organisation's purpose.

5. General principles

All expenditure must:

- Be for a legitimate organisation purpose.
- Be within approved budgets or specifically authorised.
- Represent value for money.
- Be properly documented and approved prior to commitment.

The following activities are prohibited:

- Personal use of the organisation's funds.
- Unauthorised financial commitments.
- Splitting transactions to avoid approval thresholds.

6. Financial delegations

For the purposes of this policy, board approval means approval by a quorum of directors at a properly convened board meeting, or by another documented decision-making process approved by the board.

6.1 Authorisation requirements

- Authorisation must be obtained before any purchase is made or financial commitment is entered into, unless an exemption in this policy applies.
- Purchases under $200 must be approved by at least two directors independent of the requester, one of whom must be either the President or Treasurer.
- Purchases over $200 require board approval.
- All authorisations must comply with the Conflict of Interest policy and be documented.

6.2 Spending limits and payment methods

- Online bank payments require authorisation by two approved directors.
- Debit card purchases are limited to $500 per day.
- Where an approved payment cannot reasonably be made by online bank payment or club debit card, an authorised person may use personal funds and request reimbursement.

- Reimbursement requests must include the original approval, receipt or invoice, and evidence that the payment was made.
- Cash withdrawals are not allowed.
- Receipts must be emailed to the Treasurer as soon as practicable.

6.3 Exemptions

- The following payments do not require separate board approval if they are within approved budgets or existing obligations: bills, gallery consignments, stationary, groceries, gallery stock for resale and tutor fees.
- Emergency expenditure may be approved by the President and Treasurer, or by two directors if either is unavailable. It must be reported to the board as soon as practicable and recorded in the minutes of the next board meeting.

6.4 Gallery budget

The gallery has a fixed annual budget of $250 for gallery-related purchases. Gallery purchases within this approved budget are exempt from the general board approval threshold of point 6.1.

- Gallery spending must still follow the general principles in this policy, including proper purpose, value for money, documentation and conflict of interest requirements.
- Only the gallery coordinator and their team may make purchases under this budget.
- Receipts must be emailed to the Treasurer in a timely manner.
- Any gallery expenditure above $250 in a financial year must be approved by the board before commitment.

7. Procurement and purchasing

7.1 Value for money and quotes

Purchasing decisions must consider cost effectiveness, quality, suitability, supplier reliability and long-term value. Quotes are required unless an exemption applies.

- Up to $200: reasonable assessment of price.
- $200 to $1,000: at least one quote, preferably two.
- $1,001 to $2,000: at least two quotes, preferably three.
- Over $2,000: three quotes.
- The board may, by resolution, approve fewer quotes for a particular purchase.

8. Conflict of interest

Directors and authorised persons must disclose any material personal interests and must not participate in decisions where an actual, perceived or potential conflict of interest exists.

Where a proposed supplier is connected to a director, coordinator, member or their immediate family, the conflict must be disclosed before any decision is made. The conflicted person must not participate in the decision, and the basis for selecting the supplier must be documented.

9. Records and controls

- Transactions must be recorded accurately and promptly.
- Supporting documents must be retained for all transactions.
- Financial records must support audit and reporting obligations.
- Segregation of duties must be maintained where practicable.

Financial records, approvals, invoices, receipts, quotes and reimbursement requests must be retained for the period required by law and in accordance with the club's financial record keeping obligations.

10. Breach of policy

Non-compliance with this policy may result in one or more of the following outcomes:

- Removal of financial delegation
- Internal disciplinary action
- Further action where required by law

11. Review

This policy will be reviewed annually, or earlier if:

- Legislation requirements change
- Financial risk or control issues arise or are identified