Financial Approvals – Levels of Authority Policy

Purpose

1. Expenditure controls help ensure that only necessary and authorised purchases are made and that funds exist within approved budgets to meet the expenditure. Controls also ensure that payments are made only for the goods and services actually received and at the agreed prices. The Charity Commission[1] recommends that controls over purchases should include:
    a. establishing authority levels for placing orders and approving payments which are clear and preferably documented
    b. ensuring that orders placed are within an agreed spending plan or budget - additional spending outside agreed budgets should be authorised
    c. ensuring invoices received are checked against orders confirming the price paid and the receipt of the goods or services ordered

Principles

2. Expenditure may be incurred up to the amounts set out in approved budgets.
3. No expenditure may be incurred that will exceed the amount provided for in a budget without appropriate authority.
4. The person authorising payment of goods/services should be different to the person who placed the order.

Authorisation for financial transactions

5. **County Annual Budget** once approved, budget holders have the authority to commit expenditure to the levels defined for a single transaction in the table of delegated authority.

6. **County Entities** have authority to commit expenditure to the levels required to operate an agreed forecast up to the levels for a single transaction defined in the table of delegated authority.

7. **County Events** once budgets are approved by the Finance and General Purposes Committee (F&GP), organisers have authority to commit expenditure to the levels defined in the approved budget.

Ad Hoc Expenditure Requests

8. Requests for expenditure not covered by the County Annual budget, a County Event budget, or Activity team forecast, must be agreed before commitments are made. This may be capital expenditure or exceptional revenue expenditure.
9. Requests should be endorsed by an approver listed in the table of delegated authority and be within their financial limit.

[1] https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8

10. Such requests must be considered by the F&GP committee first unless exceptional or emergency circumstances. The chair of the F&GP committee and the County Treasurer should be copied in any correspondence.
11. For amounts over £10,000, the F&GP committee will make a recommendation to the County Trustee Board for approval. If the request is urgent, this may be through email, telephone or an ad-hoc meeting. The County Trustee Board should be quorate.
12. For amounts between £2,001 - £10,000, the F&GP committee will consider and approve requests, with the final sign off by the County Trustee Board.
13. If the request is up to £2,000, it may be approved by the F&GP committee. If the request is urgent, this may be through email, telephone or an ad-hoc meeting. The F&GP committee should be quorate.

Bank Account Signatories

a. All payments require two signatures.
b. At least three signatories should be approved including the Treasurer; Deputy Treasurer; Chairman and a Trustee
c. Dual Authorisation of online payments has been investigated and will continue to be reviewed periodically. However with greatly enhanced bank security; improved reporting at all meetings and the visibility of the accounts via Xero it is not proposed to move to dual reporting at this time.

Contracts

14. A person has authority to sign a contract to the levels defined for a single transaction in the table of delegated authority.
15. All contracts should be checked first ahead of signing, usually by another "Approver" or by the County Treasurer.
16. A copy of all contracts to be provided to the County Administrator.

Table of delegated authority

Approver	**Financial Limit (single transaction)**
County Chairman	£2,000
County Lead Volunteer	£2,000
Chair of Finance & General Purposes Committee	£2,000 (£5000 Emergency with notification to Exec)
Chair of Centre Management Committee	£2,000 (£5000 Emergency with notification to F&GP)
County Centre Manager	£1000 (£2000 Emergency with notification to CMC)

Amendment History

Date	Detail
April 2018	Approved by Northamptonshire County Executive Committee
December 2018	Review due
March 2020	Rebranded; Centre Manager financial authority increased; notes re signatories and dual authorisation added; Note 16 changed to County Administrator.
March 2022	Update on Dual Authorisations
October 2023	Wording in notes 11 & 12 changed from Executive Committee to County Trustee Board.
April 2024	Title wording in table of delegated authority changed from County Commissioner to County Lead Volunteer.