

# Financial Delegations Rule

## Section 1 - Overview

(1) The purpose of this policy is to establish and communicate the delegated authority levels for committing University funds.

## Section 2 - Scope

(2) This Rule applies to all staff of the University and members of the University Council. It covers any expenditure committing University funds or any other financial liabilities to the University.

## Section 3 - Policy

(3) All delegations are to be exercised subject to budgetary limitations and subject to clause 4. These delegations are governed by Section 21A of the University of New England Act and paragraph 10 of the University Guidelines for commercial Activities.

(4) Authority above the maximum levels indicated in the tables is subject to prior approval by Council or Committees of Council as established under the University of New England Act, 1993.

(5) For minuted approvals of Council and Committees of Council, the Vice-Chancellor and Chief Executive Officer is delegated the authority to sign all documents and to do all things reasonably required to implement the approval in accordance with its terms.

(6) Approvals under all delegations are subject to specific approved budget allocations. In relation to the University's annual operating and capital budgets approved by Council:

- a. The Vice-Chancellor and Chief Executive Officer is authorised to re-allocate budget between cost centres, provided a re-allocation does not exceed the Vice-Chancellor and Chief Executive Officer's financial delegations set out in the Tables below.
- b. The Vice-Chancellor and Chief Executive Officer is authorised to approve items/projects outside the budget (income, expenditure and capital expenditure), provided the financial management aligns with an approved project plan/business case, up to an annual limit of \$1,000,000 operating/capital expenditure in total.
- c. When revenue exceeds budget, the Vice-Chancellor and Chief Executive Officer is authorised to allocate the necessary resources, and therefore expenditure, to support the relevant areas, provided that the annual net operating margin target (%) is not reduced.
- d. All other delegates are authorised to re-allocate operating (not capital) budget within each cost centre for which they are accountable provided the individual budget holder:
  - i. achieves the annual budget net operating surplus margin target (\$ and %)
  - ii. operates within the total expenditure budget, and
  - iii. does not exceed the salary budget (permanent FTE, casual FTE or \$).
- e. Any such action by the Vice-Chancellor and Chief Executive Officer under this clause must be reported to

Finance Committee by way of an updated financial forecast at the next Finance Committee meeting.

(7) Delegations pass to the person acting in the role where so approved by the delegate's direct manager in writing.

(8) The following table details the approved authority limits to commit University's funds for operating expenditure. Capital expenditure delegations are detailed later in this document. The commitment of funds under this section of the policy includes:

- a. Authorisation of operating expenditure in the following forms:
  - i. the authorisation of purchase requests and purchase orders,
  - ii. the authorisation of suppliers invoices and payment requests,
  - iii. the execution of contracts or other binding legal agreements,
- b. Certifying payment requests for payroll related expenditure.

### **Table 1 — Authority to Commit Operational Expenditure**

[Click here for table 1](#)

(9) The following table details the approved authority limits to commit University's funds for capital expenditure (capex). Authorization is granted for:

- a. Capital Expenditure (Capex) for items such as capital works, IT systems
- b. Write off or Disposal of debts, property, plant and equipment.

### **Table 2 — Authority for Capital Expenditure.**

[Click here for table 2](#)

(10) The following table details the authority to place and roll over investments.

### **Table 3 — Authority to Place Investments**

[Click here for table 3](#)

(11) Staff nominated to sign cheques and/or release University funds via electronic funds transfer (EFT) can do so at any value provided they have satisfied themselves that the expenditure has been authorized in accordance with the authority limits set above.

(12) The authority level for the approval of contract variations is to be assessed at the full value of the revised contract, not just the variation amount. For example; if a contract was initially approved for \$1,000,000 and a variation is sought for \$100,000 then the approval for this variation can only be granted by those individuals or Committees who have authority for \$1,100,000.

(13) Staff issued with a University Credit Card will have an authorized limit of \$10,000 for an individual transaction. Where travel or airfare expenditure charged to a traveller's credit card exceeds \$10,000 then the travel must be approved via the University's Travel Management System in accordance with the schedule of authorities detailed in Table 1 prior to travel being undertaken.

(14) This document should be interpreted using the following principles:

- a. Where a dollar amount is stipulated as an approval limit, it is to be taken as a reference to the maximum contract value or maximum financial commitment/exposure of the University, whichever is the greater.
- b. This document does not override or otherwise affect:

- i. The [Authorities Retained by Council Rule](#) or
- ii. The [Functions of the Vice-Chancellor Rule](#)

(15) However, it operates as a delegation of certain authorities that have been retained by Council.

## Section 4 - Definitions

(16) Capital Expenditure is expenditure as described in the [Asset Management Financial Rule](#) that creates a future economic benefit for the University. Capital expenditure is incurred when funds are expended to acquire, build or upgrade assets. This expenditure will create an asset which appears on the University's Balance Sheet.

(17) Operating Expenditure is the day to day expenditure incurred in the normal operation of the University and includes such items as travel, printing & stationery, scholarships, consultants' fees, etc. This expenditure appears in the University's Profit & Loss as Expenditure.

(18) An associated entity as defined in Section 9 of the Corporations Act 2001. Section 9 refers to Section 50AAA, which provides the definition and sets out seven situations in which an entity will be an associated entity of another entity. These include where the entities are related bodies corporate (as defined in Section 9), where the principal controls (as defined in Section 50AAA) the associate, and where the principal has a material investment in the associate and significant influence over the associate.

## Status and Details

<b>Status</b>	Historic
<b>Effective Date</b>	21st August 2015
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<b>Approval Authority</b>	Finance and Infrastructure Committee
<b>Approval Date</b>	19th August 2015
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<b>Unit Head</b>	Ilias Dimopoulos Head of Finance
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