

Delegation to Executive Management & Staff Policy

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Approved by Board on	15 March 2016		
Responsible person	Board of Trustees	Review Scheduled on	1 March 2020

About Human Appeal

Human Appeal is an incorporated UK charity working across the globe to strengthen humanity in the face of poverty, social injustice and natural disaster. Through the provision of immediate relief and establishment of self-sustaining development programmes, Human Appeal strives to save lives.

Our vision is to contribute to a just, caring and sustainable world free of poverty. We do this by raising money to fund immediate and long-term sustainable solutions, and empower local communities.

The trustees of Human Appeal are ultimately responsible for the governance of the organisation, this encompasses the strategy, budgeting, forecasting, considering the going concern of the organisation solvency, risk mitigation, as well as ensuring an appropriate control and safe environment.

Introduction

The Board of Trustees delegates to the Chief Executive Officer (CEO) authority to sub-delegate and re-delegate such authority to conduct activities necessary for the operational continuation of the organisation.

Trustees are members of Human Appeal, a company limited by guarantee, as such they are directors of the company and hold the legal responsibility towards governance and must ensure adherence to the Companies Act 2006 and the Charities Act 2006.

The CEO and the senior management team ensure the day to day operations of Human Appeal. The Trustees are primarily focused on governance and appropriate oversight.

Policy

It is Human Appeal's policy that authorisation is delegated to those areas that are held responsible for the successful implementation of the organisations objectives. Human Appeal assigns authorisation levels based on employee's level of responsibility.

Delegation of Authority

Delegation of Authority is the formal written conveyance from one person to another of the authority to bind the organisation to a legally enforceable obligation.

- Short term – each manager establishes protocols for delegation when they anticipate being absent due to illness, vacations, leaves or extended business trips. Delegations are to be documented and distributed to the appropriate departments within the organisation.
- Long term – any delegation of must be approved by the CEO.

Authority to enter into Contracts

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Contracts: The Legal department must approve all contracts and legal obligations made on behalf of Human Appeal prior to their execution. Legal may sub-delegate contract review of standard contracts to the relevant functional area. Alternations to Human Appeal standard contracts and agreements must be approved by Legal.

Subject to a review by Legal, the CEO and as sub-delegated by the CEO, the relevant persons have delegated authority to enter into contracts as follows:

- The CEO or Deputy CEO have general authority to sign any contract.
- HR, Marketing, Finance and Programmes have general authority to sign contracts, which relate to their role and responsibility, subject to compliance with appropriate policies, procedures, compliance, risk mitigation and provided the contract has been reviewed by the legal adviser and CEO has recommended to proceed.

Specifically:

1. **Accounting:** An finance manager or equivalent other than the originator must approve all journal entries.
2. **Investments Expenses:** The Board of Trustees must approve all purchases and sale/disposal of fixed assets.
3. **Information Services (IS)** must approve all purchases and sale/disposal of computer-related hardware, software, networks, and peripherals used for internal purposes.
4. **Human Resources** must provide written approval prior to extending any financial commitments to employees (e.g., hiring, salary or wage increases, incentives, commissions, and bonuses).
5. **Counter Terror Compliance** must be undertaken in relation to all partners and large donors that Human Appeal works with ensuring
 - oversight
 - Assessing false and positive matches
 - Compliance with regulations
6. **Planning:** Finance coordinates the approval of the Human Appeal's plan and forecasts.
7. **Product and Services Pricing** must be established according to preapproved guidelines and approved by the CEO.
8. **Real Estate** commitments to purchase, lease, rent or sale/dispose of property on behalf of the Human Appeal must be approved by the Board of Trustees. Facility-related contracts (e.g., landscaping, cleaning, utilities) must be approved by the CEO or as sub-delegated. The Board of Trustees must approve Real Estate financing arrangements.

In any such circumstances, the Board of Trustees should ensure these are duly authorised and minuted in a Trustee Meeting.

9. **Sales and/or Services Finance** must approve sales contracts and changes to sales terms and conditions, including delivery, shipment, payment, demo licenses, and future product discounts.
10. **Tax:** Income, sales, and use or country equivalent, import/export, property, and other tax-related preparations and obligations must be approved or delegated by the CEO.
11. **Finance** must approve any and all bank accounts and establishes signing authority for issuing checks and arranging for electronic transfers.

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Planned Spending

Annually, Human Appeal approves plans, budgets and reviews strategy to achieve its goals and objectives. Spending in the authorised plan requires adherence to the authorisation limits set.

Under no circumstances should management authorise spending in excess of budget.

Authority Limits

Expenditure and Budget Limits

Budget holders are authorised staff with authority to commit Human Appeal funds. Only those staff on the authority matrix can authorise purchase orders or payment requests and only to the limits set.

Only expenditure approved in the budget can be incurred by the budget holders, for any item not budgeted can only be approved by Finance and the CEO and in applicable by the Board of Trustees.

Ordering goods or services

No commitment shall be made without an approved purchase order and duly authorised by the budget holder.

In all cases, the procurement policy and procedures shall be adhered to.

Purchases Value	
Up to £2,000	Budget holders can go direct to suppliers and place orders, subject to opting for the least cost option or document reasons why it has not been taken. Existing suppliers should be used where appropriate.
Between £2,000 to £10,000	Procurement should obtain three quotes and the rationale for using a certain supplier shall be documented and placed on file.
Exceeding £10,000	Procurement should invite public tenders and follow the tender process as per the procurement manual.

Purchase Authorisation Limits

For Budgeted expenditure, the following authorisation limits apply:

Level	Amount	
1	£100,000+	Trustees, CEO and Finance Director
2	£25,000 - £100,000	CEO, Finance Director and relevant Executive Directors
3	Up to £25,000	Executive Directors Senior Management Team Finance

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4	Up to £5,000	Relevant Senior Management Team Members
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Travel Authority

Sign off to travel authority shall be approved by a senior management team member, as this approval ensures that appropriate insurance and security considerations have been taken.

International Payments Authority

Programme related payments, the International Transfer Procedures are applicable.

Approvals for International Payments are authorised by three authorities

- Director of Programmes
- Head of Finance; and
- CEO

Subject to the review of relevant programmes documents, including but not limited to

- Amounts
- Budget details
- Progress report financial and narrative
- Reason for payment
- Payee details (including adherence with Counter Terrorism Compliance Checks)

In addition, the Finance department ensures that bank details are reconfirmed and checked against records. Where a bank account has been signed, the Change of Bank Account Authority shall be received signed by the Country Director, Head of Programmes and Head of Finance of the respective partner or field office.

It is Human Appeal's policy not to authorise payments exceeding £500,000 in any one payment to minimise any risk.

Authority on programmes

Each programme shall have a concept note and/or proposal and contract that shall go through a formal review and approval process that requires sign off by Director of Programmes.

The CEO and the Board of Trustees shall grant approval for complex and or high risk programmes, working in countries of high risk and those over £2 Million.

The CEO and Board of Trustees shall be presented with

- Relevant programmes summary
- Any specific operational risks
- Contractual information (if applicable)
- Cash flow and financing risks
- Legal or taxation risks
- Risk Mitigation strategy

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Control Framework

- All financial commitments undertaken on behalf of Human Appeal shall be in conformance with the organisation's policies.
- The person granting the financial authorisation shall not be the same person who requests, purchases or receives the products or services.
- All contracts and documented records require appropriate stewardship in line with policies.
- Appropriate level of documentation and authorisation signatures should accompany the request for spending and the subsequent supporting documentation in the finance department's records.

Policy Review

This policy was prepared will be reviewed on an annual basis to ensure continuing appropriateness.