

Girl Scouts of Central Texas

Delegation of Authority Policy

Reviewed and approved by GSCTX Finance Committee: March 21, 2017

PURPOSE

This Delegation of Authority Policy outlines limits of authority for specified positions of responsibility within Girl Scouts of Central Texas, Inc. ("GSCTX"). This policy establishes the types and maximum amount of obligations that may be approved by individuals in their official capacities, including authorization of contracts, signing of checks and approval of electronic disbursements. The approval of commitments and transactions outlined in this policy must always be made by the staff member or Board member who has responsibility for final approval.

Conduct that violates this policy is outside the scope of a Board member or staff member's authority. Staff members who have employees reporting to them should take all steps required to ensure those employees know and follow this policy. Each department director is required to implement approval policies and controls for his or her department.

AUTHORIZATIONS

1. General Principles

- a. **Combining Transactions:** Dividing a commitment or transaction into two or more parts to evade a limit of authority is prohibited. Any series of reasonably related transactions, including extensions and/or amendments, are considered a single transaction for determining approval and authority levels required by this policy.
- b. **Temporary Delegation of Authority:** Temporary authority may be delegated when an individual with approval authority will be unavailable. The temporary delegation is to be in writing, specify the effective length of time, and sent in advance to the CFO. Temporary delegation may only be given to an individual at the same level of authority or higher than the individual who is delegating authority.
- c. **Compliance Documentation:** Employees who execute contracts and approve transactions are required to ensure that all appropriate endorsements and approvals required by this policy and other GSCTX policies and procedures have been obtained, and to ensure appropriate documentation of these approvals is maintained. Appropriate documentation may include, but is not limited to, the initialing of final contracts, approval forms or memos. All signed originals must be maintained in contract files maintained in the Finance Department.

- d. Policy Interpretations and Amendments:** GSCTX may issue interpretations to provisions of this policy when unanticipated facts or circumstances occur that are not specifically addressed. Interpretations will be in writing and will be approved by the CEO and CFO. The Board of Directors' Finance Committee will review this policy annually and the Board will approve any changes.

2. Banking and Investment Matters

- a. Banking Administration, Opening and Closing Bank Accounts:** Refer to Delegation of Authority Matrix, attached hereto as Appendix A, for authorized individuals approved by resolution of the Board of Directors. The Finance Department facilitates updates to signature cards with banks as needed due to staff or Board member changes.
- b. Authorization to Sign Checks and Approve Electronic Disbursements:** Checks and approvals of electronic disbursements can be signed by the following staff positions in accordance with the Delegation Matrix:
- Chief Executive Officer
 - Chief Financial Officer
 - Chief/Director, Programs & Community Engagement
 - Chief/Director, Member & Data Operations
 - Director, Resource Development

Two signatures required on all council checks. At least one board member signature, or authorization in writing, is required on checks greater than \$5000, except for authorized recurring disbursements in accordance with Section 3.a.

- c. Checks and Disbursement Oversight:** A list of all payable checks will to be generated and provided to the CFO for review and approval in advance of check run done each Friday by the Finance Department.

A quarterly report summarizing all checks and disbursements greater than \$5,000 will be submitted to the Finance Committee.

- d. Administrative Controls:** All unused and cancelled check stock on GSCTX premises will be kept in a secured, locked area. Finance will track use of check stock, including voids.
- e. Use of Procurement Cards:** As per the Delegation Matrix, requests for procurement cards with specified limits must be made in writing to the CFO for approval. Use of a procurement card requires initial and annual training for the cardholder and submission of timely receipts and business purpose, sales tax exemption information

and coding for every expenditure submitted online for approval by the employee's supervisor.

The CFO and Finance Department staff will review the detail and coding for all monthly expenditures submitted and approved on procurement cards. Failure to follow all requirements for use of the card will result in immediate forfeiture of procurement card privileges and disciplinary action. Procurement card limits are specified in the Delegation Matrix.

- f. Investment Policy:** The GSCTX Board of Directors approves the GSCTX Investment Policy. The Board delegates responsibility for detailed investment standards and guidelines to the Finance Committee.
- g. Investment Transactions:** The following staff and Board members constitute the Investment Advisory Sub-committee and are authorized to execute investment changes consistent with the Investment Policy. All changes will require a majority vote of the members of the Investment Advisory Sub-committee:
 - Chief Executive Officer
 - Chief/Director of Member & Data Operations and/or Chief/Director of Program and Community Engagement (as directed by the CEO).
 - Corporate President/Board Chair
 - Finance Committee Chair
 - Corporate Treasurer

The CFO and other Finance Department staff shall not have any authorization to execute investment changes in allocation. However, the CFO has the authorization to reinvest excess cash in short-term investments within the investment policy as directed by the CEO.

Selling of securities will be in accordance with the Gift Acceptance Policy.

3. Expenditure and Contracting Authority

- a. Disbursement Authorization:** Please refer to the Delegation Matrix for signature authority and limits. Payment authorizations will be processed by the Finance Department when they are approved in accordance with this policy. When the underlying transaction, contract or agreement has been properly approved and satisfactory evidence is available that the obligation is due, the check or electronic disbursement of funds will be permitted. A blanket authorization is permitted annually for approved recurring disbursements over \$5,000 and requires only two staff signatures.

- b. Capital Projects:** Capital expenditures will be approved by the Board of Directors in advance as part of the current fiscal year budget and may be initiated by the responsible departmental director with the approval of the CFO. During the fourth quarter of each fiscal year, staff will review any funds remaining in the “emergency/discretionary” capital allocation and will spend these on any other capital needs as long as it is within the approved budget.
- c. Master Property Plan Project:** The Board of Directors will review and approve the Master Property Plan and budget. Authorized staff will have the authority to enter into contracts for approved spending items in accordance with the approved Master Property Plan and the Delegation Matrix, subject to completion of insurance, risk and legal review of the contracts by Board legal counsel as needed.

Capital expenditures included in the Master Property Plan will be brought to the Finance Committee for review as donor gifts and property proceeds are received and the nature of project spending for those funds is determined. Regular spending updates versus budget will be provided to the Finance Committee.

The purchase, lease or disposal of real estate will be handled in accordance with Section 4 of this document.

- d. Entering into Consulting and Vendor Contracts:** All consulting and vendor contracts should be reviewed and endorsed in writing by the CFO. Employee benefit vendor contracts should be reviewed and endorsed by the CFO and Director – HR to ensure ERISA guidelines are followed. All contracts greater than \$10,000 require CEO approval. Refer to the Delegation Matrix regarding authority limits for approval of consulting and vendor contracts (within budget).
- e. Entering into Service and Equipment Lease Agreements:** All service and equipment lease agreements should be reviewed and endorsed in writing by the CFO. All agreements and leases greater than \$10,000 require CEO approval. Refer to the Delegation Matrix regarding authority limits for approval of service and lease agreements (within budget).
- f. Entering into Loan or Other Obligations:** The principal terms of any loan or other financial obligations require review by legal counsel and approval by the Board of Directors. These agreements will be signed by the CEO. The CEO has the authority to negotiate expiring and recurring obligations without legal counsel review.
- g. Entering into Grant Agreements:** The CEO will sign all grant agreements and the Corporate President/Board Chair will sign as required by the granting authority.

ii. Incentive Compensation:

- 1. CEO:** The Board Executive Committee and Board of Directors approve the CEO's incentive compensation annually.
- 2. Council Staff:** The CEO approves all incentive compensation paid to council staff.

6. Legal Matters

- a. Settling Claims:** Approval by the CEO is required prior to settling any litigation claims or commercial disputes. A review by legal counsel is required for all settlement agreements. Settlement of employment claims or matters greater than \$50,000 will be discussed with the Board Executive Committee prior to settlement. The CFO or his/her designee will approve filing of insurance claims.
- b. Power of Attorney:** A review by legal counsel is required before execution of any power of attorney. Only the CEO may execute a power of attorney.
- c. Electronic Filing Authority for Form 990:** The CEO and/or CFO are authorized to release electronic filing of the Form 990 to GSCTX's designated tax preparer annually.

- 7. Policy Updates and Notification:** All changes to this policy require approval by the CEO, review by the Finance Committee and approval by the Board of Directors via consent agenda. Revisions of this policy will be communicated by giving written notice to staff, electronically or in print. A copy of the current policy must always be reasonably available to employees. Employees are responsible for understanding or clarifying any rules outlined and for becoming familiar with the most current version of this policy.