

Financial Authority Policy



Responsibility for policy: Capital and Finance Committee

Approving authority: Council

Last reviewed: August 2021

Next review: August 2022

Application

1. This policy applies to all staff of the University of Waikato.

Purpose

2. The purpose of this policy is to set out:
 - a. the financial authority limits that apply to single transactions for particular categories of staff, and
 - b. responsibilities and accountabilities in relation to financial authorities.

Scope

3. This policy applies to the purchase and procurement of goods and services and does not apply to academic agreements or staff appointments. Financial authorities related to academic agreements are set out in individual academic agreements. All staff appointments are subject to the approval of the Director of People and Capability.

Definitions

4. In this policy:

budget holder means a person who is responsible for the management of an allocated budget

business-as-usual compliance payment means a payment that is required by law or is necessary to the day-to-day operations of the University, such as payroll, tax, and utilities

capital asset means an asset that has been capitalised in accordance with the [Capital Asset Policy](#)

tender means the process before a purchase, involving the evaluation and selection of a supplier based on the supplier's written offer to supply goods and/or services at an agreed price

transaction means a payment or a commitment to make a payment from one person or account to another (e.g. purchase order)

whole-of-life cost means the total cost, including purchase cost, operating cost, maintenance cost and residual value (where applicable) for the life of a contractual term.

Related documents

5. The following documents set out further information relevant to this policy:
 - [Capital Asset Policy](#)
 - [Desktop Computer Standards: Provisioning, Replacement, Disposal and Redeployment](#)
 - [Financial Ethics Policy](#)
 - [Fixed Asset Guidelines](#)
 - [Governance and Management Guidelines](#)
 - [Independent Contractor Policy](#)
 - [Koha, Donations and Sponsorship Policy](#)
 - [Procurement Policy](#)
 - [Tender Manual](#)
 - [Travel Policy](#)
 - [Treasury Management Policy](#)

Legislative and policy framework

6. This policy takes account of the [Education and Training Act 2020](#), which includes provisions for Council to delegate its functions and powers and for those functions and powers to be sub-delegated (sections [283\(1\)](#) and [285\(1\)](#)), and Council's delegations under its [Governance and Management Guidelines](#).

Financial authority of the Vice-Chancellor

7. The maximum financial authority of the Vice-Chancellor for a single transaction is \$5 million; any single transaction exceeding \$5 million is subject to the prior approval of the Council.
8. The Vice-Chancellor must report to the Capital and Finance Committee and Council any single financial transaction of \$1 million or more, unless it is a business-as-usual compliance payment (see clause 17 of this policy).
9. For any budget category (relevant categories are as set out in the Statement of Financial Performance), the Vice-Chancellor may approve additional operating expenditure of up to 5% or \$1 million more than the original operating budget, whichever is larger, provided that they are confident that the financial objectives set by Council will be attained (including achievement of budgeted surplus); the Vice-Chancellor must report such approvals to the next meeting of the Capital and Finance Committee.

Financial authorities of budget holders

10. The Vice-Chancellor delegates to budget holders financial authorities and responsibilities for managing their respective budget allocations.
11. The Vice-Chancellor delegates to budget holders financial authorities for single transactions to the limits set out in [Appendix 1](#) of this policy.
12. Budget holders may sub-delegate their financial authorities to another staff member, with a limit that is lower or higher than the limit that would otherwise apply to that staff member, provided that it is within their own limit.
13. Any sub-delegations of financial authority by budget holders, including any associated variations to the limits set out in [Appendix 1](#) of this policy, must be formally reported to the Director of Finance
14. Staff designated with approval levels A to D in [Appendix 1](#) of this policy may revoke any sub-delegation within their area of responsibility.
15. The limits listed in [Appendix 1](#) of this policy apply to whole single transactions; transactions must not be split to fit within the maximum authority.
16. The Vice-Chancellor may review, from time to time, the limits set out in [Appendix 1](#) of this policy; any changes to [Appendix 1](#) approved by the Vice-Chancellor must be reported to the Capital and Finance Committee and Council.
17. The Vice-Chancellor delegates financial authorities for business-as-usual compliance payments as set out in [Appendix 2](#) of this policy.
18. The Vice-Chancellor may at any time restrict or revoke the financial authority of any staff member or the application of the financial authorities set out in [Appendix 1](#) and [Appendix 2](#) of this policy with respect to any particular staff member, category of staff or transaction type.
19. Budget holders must not commit University funds beyond their specified annual budget allocation unless the Director of Finance has first approved the commitment in writing.
20. Budget holders with a separate capital budget must not transfer allocations from a capital to an operational budget, or vice versa.

Responsibilities of line managers

21. Line managers are responsible for ensuring that their staff comply with this policy.
22. Line managers must report any breaches of this policy to the Director of Finance.

Approval of financial commitments

23. Staff must not commit University funds beyond the current budget year unless:
 - a. in the case of commitments of up to three years, the commitment has first been approved by the Chief Operating Officer or the Director of Finance; or
 - b. in the case of commitments of between three and 10 years, the commitment has first been approved by the Vice-Chancellor; or
 - c. in the case of commitments of 10 years or more, the commitment has first been approved by Council.
24. Any financial commitment covering a period longer than five years must be reported to the Capital and Finance Committee and Council.
25. Any operating expenditure more than 5% higher than the operating budget for the relevant category (relevant categories are set out in the Statement of Financial Performance) is subject to the prior approval of the Capital and Finance Committee and must be reported to the following meeting of Council.

Tendering activities

26. In accordance with the [Procurement Policy](#), where a preferred supplier contract is not in place for the relevant goods or services, staff who wish to purchase goods or services whose whole-of-life cost exceeds \$50,000 must, before proceeding, consult the Director of Finance about the procurement process that is to apply; the procurement process may be required to include a contestable tender process.
27. Delegated authorities for particular phases of a tender process are set out in the University's [Tender Manual](#).

Disposal of capital assets

28. University capital assets must not be disposed of without the prior approval of the Director of Finance.

Debt write-off

29. The Director of Finance has authority to write-off any individual financial debt up to and including \$25,000.
30. The Capital and Finance Committee has authority to write-off any individual financial debt of more than \$25,000.
31. The Director of Finance must report to the Capital and Finance Committee all decisions to write-off financial debt.

Capital expenditure

32. The Director of Finance must report to the Capital and Finance Committee any individual item of capital expenditure valued at more than \$200,000.

Monitoring of financial authorities

33. The Director of Finance must conduct annual reviews of all financial authorities to ensure that delegations are appropriately and accurately recorded, and make recommendations to the Vice-Chancellor as necessary.

Responsibility for monitoring compliance

34. The Director of Finance is responsible for ensuring compliance with this policy, and is required to report instances of non-compliance to the Capital and Finance Committee.
35. Breaches of this policy may result in disciplinary action under the [Staff Code of Conduct](#).

Appendix 1

Approval Level	Budget Holders	Maximum financial authority for a single transaction within approved budget (NZ\$, GST exclusive)	Includes capital expenditure within area's approved capital budget
Level A	Chief Operating Officer, Senior Deputy Vice-Chancellor	\$3,000,000	Yes
Level B	Director of Finance	\$500,000	Yes
Level C	Deputy Vice-Chancellors, Assistant Vice-Chancellors, Pro Vice-Chancellors or equivalent	\$250,000	Yes
Level D	Heads of School, Directors or equivalent	\$100,000	Yes
Level E	Associate Deans, Deputy Deans or equivalent	\$50,000	Yes
Level F	Managers, Unit Directors or equivalent	\$15,000	Yes
Level G	Business/Administrative Managers	\$10,000	No
Level H	Cost Centre Alternates (Acting)	\$10,000	No
Level I	Administrative Managers	\$5,000	No
Level J	Administrative Staff/Personal Assistants with a significant range of financial responsibilities	\$3,000	No
Level K	Administrative Staff/Personal Assistants with a range of financial responsibilities	\$2,000	No
Level L	Administrative Staff/Personal Assistants with moderate financial responsibilities	\$1,000	No
Level M	Secretaries/Personal Assistants with limited financial responsibilities	\$250	No
Level P	PCard authorities only (no financial delegation for Unimarket)	\$250	No

Appendix 2

Compliance Payment

Payroll Transactions

IRD – PAYE

IRD – GST

IRD – FBT

WINZ and StudyLink Reimbursements

Student Fee Waivers/Refunds

Library Fine Waivers

Student Discipline Fee Refunds

Utility Transactions – Electricity/Gas/Water

Halls of Residence Catering Payments

Delegated Authority

Payroll Manager

Payroll Manager

Financial Controller

Financial Controller

Financial Controller

Director, Student Services

Financial Controller

University Librarian

Chairperson, Student Discipline Committee

Chairperson, Student Discipline Appeals
Committee

Director, Property Services

Associate Director, Student Accommodation