

Procedure 3.3  
**Executive Director Approval for Expenditure**  
Version 1: Dec 19, 2005

This note is prepared to help clarify the working relationship between the Executive Director and Treasurer.

The Treasurer carries full accountability for all expenditure made by IRI. The Executive Director may only spend IRI funds in a manner approved by the Treasurer.

The Treasurer seeks guidance from the Finance Committee about his decisions, and will bring major financial decisions to the Board for a vote.

To avoid having to consult the Treasurer on every single check made, the Executive Director will establish a detailed line-item budget for each financial year, for approval by the Finance Committee and Board. He will then be accountable for ensuring that expenditure remains within this budget, but will be fully empowered to implement the budget and will not have to refer each detailed expenditure back to the Treasurer for further approval.

The following guidelines are to assist the Executive Director in implementing this budget:

1. Without consulting the Treasurer, the Executive Director may disburse funds to implement the budget, This will be controlled on a line-item basis. If the Executive Director is concerned that any line-item will exceed the amount agreed, he will highlight this to the Treasurer before proceeding with any further expenditure on that line item
2. From time-to-time the Executive Director will present a re-forecast highlighting changes to each line-item required to meet the budget. Once the reforecast is agreed this will take the place of the line-item budget as the control document.
3. Whenever there are costs which are not included in the line-item budget, the Executive Director will seek specific permission from the Treasurer to make these expenditures, for items or projects which exceed \$1,000
4. From time-to-time the Executive Director will also turn to the Treasurer for advice about making decisions to implement the budget, even though expenditures remain within the line-item budget or agreed reforecast. These decisions may include the following
  - a. Deciding upon salary increases, within the budget. (Note that any salary increases which exceed the line-item budget or reforecast may need Finance Committee approval)

- b. Decisions which don't necessarily exceed the line-item, but which may lead to the line-item being exceeded before year end
  - c. Purchases of large items, for example computers, even though they may remain within the line-item budget
- 5. The Executive Director should focus primarily on meeting the overall budget or reforecast, and is permitted to make reasonably judgement about exceeding one line item where it is clear that this will be balanced by bringing other line—items in under-budget