

Singapore Actuarial Society (SAS) Expenditure and Authorisation Limits

Effective Date	1 January 2020
Review Date	15 November 2019
Next Review Date	First Council meeting after 2020 AGM at the latest
Authority	SAS Council Members

1. General Principles

As part of the internal control process of SAS there need to be process surrounding making payments, reclaiming reimbursements and for entering binding contracts.

When there are conflicting guidelines, following general principles override.

General principles for reimbursement of expenditure are:

- An individual cannot approve the reimbursement of their own expenditure or that of a related party (e.g. spouse, partner, family member).
- Any payment to a person/company not based in Singapore must be approved by President and Honorary Treasurer, given the potential withholding tax liability in respect of that payment and IRAS Form IR37C or IR37 requirements.
- The Chair of any Committee needs to be eligible to be a member of Council as defined in the SAS Constitution.
- The **time limit** for claims is earlier of **3 months from invoice/receipt date** or 31 Dec of the same accounting year, otherwise, delays in reimbursement of the claims can be expected. Claims must be approved by the appropriate authority.
- The binding of SAS into any contracts, exceeding \$1,000 p.a., needs to be performed on the “four eyes” principle – i.e. two signatures.
- Due Diligence is expected of those who are allowed to bind the SAS, with the same approach to signing contracts applied as their employers would expect. If in doubt about particular terms of a contract, e.g. need for event insurance, the Executive Director should be consulted.

2. Budget

As part of SAS’s internal control process, in Q3 of a year, Council recognised Committees must submit a budget for the following year to Council, which Council should review and approve/amend. The Honorary Treasurer coordinates this process, by issuing a template and the appropriate level of granularity, and the Chair of the Committee (along with the Council Member who is a liaison officer for that Committee) submit a budget. If a committee decides not to provide a budget, then the only expenditure that will be reimbursed would be sandwiches/taxis for that committee up to an annual expenditure of \$1,500.

Unused budget from a particular year cannot be carried forward into a future year without explicit Council approval.

3. Making Payments/Processing Reimbursements

A distinction needs to be made between approval of an expenditure and the process of obtaining payment/reimbursement of that expenditure.

All SAS direct payments/reimbursements of expenditure can only be processed with two signatures from the Office Bearers (e.g. DBS Ideal, signed cheques or PayNow, Telegraphic Transfers) with the following exceptions:

- For refunds, the Honorary Treasurer can execute the payment on his/her own via PayPal but only for refunding PayPal payments made in error. However, in the first instance, a cheque refund should be attempted if practical (e.g. it may not be practical when international payments/refunds are involved).
- The Honorary Treasurer wishes to transfer funds within the SAS DBS bank accounts for liquidity purposes.

The Office Bearers, when processing a direct payment/reimbursement can only do so if the payment/reimbursement has been properly authorised.

The Office Bearers, when processing a direct payment/reimbursement, will rely on the Secretariat to check:

- necessary approvals have been obtained and expense form complete;
- prior to significant payments of \$1,000 or more, or commitments (e.g. announcement of events), that payment is within approved budget;
- payment would not mean that one of SAS's bank accounts would go into overdraft.

For removal of doubt, it is expected that Office Bearers may also be involved in the approval of payments but that is distinct from process of making payments/processing reimbursements.

4. Authorisation of Payments/Entering contract

For any payment to be made there needs to be a contract. The Singapore Goods Act applies to any contract for the sale of goods i.e. a contract in which the seller transfers or agrees to transfer property in goods to the buyer for a money consideration called the price (<https://www.singaporelawwatch.sg/About-Singapore-Law/Commercial-Law/ch-09-domestic-sale-of-goods>). It may be that the say, taxi receipt is the only evidence of such a contract which then allows a reimbursement claim.

As such, SAS delegates authority to certain individuals to enter into contracts and so require payments to be made or expenditure to be reimbursed. For all payments/reimbursements an expense form needs to be completed to aid the Secretariat in their bookkeeping. The link to the expense form is [SAS Expense Claim Form](#).

4.1 Committee Reimbursements – the Chair of the Committee had authority to approve all Committee related expenses that are within approved budget (which if no budget has been sent to Council is deemed to be sandwiches and taxis costs up to an annual expenditure of \$1,500). Only if the approved budget looks to be exceeded does the Chair have to revert to Council for further approval.

The Committee Chair must seek an Office Bearer approval for the reimbursement of their own expenditure.

4.2 Conference/Event Reimbursements – event refer to any activity that is not a regular or ad-hoc meeting of council, c'tee/sub c'tee or working group – this includes and is not limited to conferences, social events and forum events. The Chair of the Committee has responsibility for the expenses within the budget and signing any related contracts. Only if the approved budget looks to be exceeded does the Chair have to revert back to Council for further approval.

Social events and forum events are not to enter into contracts which would mean that more than \$5,000 would be spent on an event without prior Office Bearer/Council approval.

In any year, any contract which requires that Committee/Conference to incur total expenditure of more than \$10,000 payable, to the same entity, must be signed by two (distinct) individuals

- One office bearer;
- Chair of the Committee or Chair of Conference For amounts less than \$10,000, within approved budget, the Chair of the Committee can approve and sign the contract subject to ensuring the Conference breaks even.

If the Chair wishes to delegate approval of Conference expenses or signing contracts for amounts less than \$10,000, s/he may do so provided s/he informs the Honorary Treasurer and Executive Director as to the identity of the Conference Chair. No further delegation by the Chair of the Committee or of the Conference is allowed.

The Conference Chair must seek the Committee Chair approval for the reimbursement of their own expenditure.

4.3 Secretariat Day-to-Day Operations – The Executive Director is authorised to approve expenditure up to \$750 per month, on items such as

- Office stationery
- Office amenities (e.g. water bottles for water dispenser)
- Office equipment, up to \$500 per item
- Office furnishing, up to \$500 per item
- Ad hoc taxi expenditure (including for ED and admin staff)

If members of the Secretariat are working after 9pm (which should be rare), then they may take a taxi home without requesting prior permission, provided notification of the fact is provided to the Executive Director by email/sms/verbally by the next day.

The Executive Director can also approve expenditure of the approved Secretariat training budget.

The Executive Director must seek an Office Bearer approval for the reimbursement of their own expenditure.

4.4 All Other Expenditure – for expenditure less than \$1,000 p.a., one office bearer can enter a contract/approve expenditure (but not Conference/Committee expenditure) and for expenditure up to \$5,000 p.a., two office bearers together can enter a contract/approve payment. A series of payments to one entity should be grouped together in determining these limits.

For contracts where expenditure would be in excess of \$5,000 p.a., two office bearers must sign the contract provided Council approve entering into the contract.

For employment contracts the two signatories should be:

- The Honorary Secretary; and
- One of the President and the Vice-President

For contracts with auditors and tax advisers, or commitments to IRAS, the two signatories should be:

- The President and
- The Honorary Treasurer

For website related expenditure/entering into a contract, the Webmaster can replace one of the office bearers in approving/signing contracts.

One office bearer can renew a contract e.g. medical insurance contract for the secretariat, as long as the terms, conditions and price are substantially the same as per expiring contract.

An emergency payment of up to \$5,000 can be approved by one of the President/Vice-President but with immediate notification to Council of the fact by email. It is expected such payments would be rare. Emergency expenses are for medical or travel emergencies e.g. when a delay in getting approval might endanger the well-being of SAS staff.

All larger payments should be approved by Council by majority vote e.g. including any international travel for Secretariat or Office Bearers in role of Office Bearer. For administrative convenience, the approved budget would allow the following payments to be made without reverting back to Council:

- Secretariat salaries and CPF payable
- Rental payments
- Website payments
- Income Tax payments
- Insurance payments.

The President can approve reimbursement of other Office Bearers' expenditure, and the President's expenditure in relation to event or committee should be approved by respective event chair or committee chair, followed by two other Office Bearers, and subsequently disclosed to the Council for information. The Council will approve reimbursement of the President's other expenditure, i.e. not related to event or committee.

In case of dispute, the final arbitrator on reimbursement will be Council.

5. Other Matters

- a) **General Sponsorship** - it is recognised that general sponsorship of the Singapore Actuarial Society is sought from a number of organisations and that sponsorship is for the benefit of the whole Society and not ear-marked for any specific conference. However, as part of the general sponsorship, free conference passes may be given to sponsors. Council has asked Committees to be understanding in relation to this aspect of Society funding, and any overrun in a conference due to the issue of free passes is accepted by the Council.
- b) **New members and Conferences** - often, an individual wish to attend a Conference/event and then seeks to join SAS to enjoy a discount on the Conference/event. Council may not have time to approve her or his membership application prior to the conference/event. Secretariat staff is allowed to give the appropriate discount pending Council approval of membership. In the event that the membership is not granted, the person will not be asked to return the discount she or he enjoyed.
- c) **Small Amounts** - to allow smoother administration, small amounts underpaid by a member/non-member in relation to subscription or event fee will not be sought by the SAS. Similarly, small amounts overpaid will not be refunded to the member/non-member but be retained by SAS as part of general funds. The small amount is defined as \$5.00.

If \$5.01 is owed by an individual to the SAS then the full amount is payable. Similarly, if refund to an individual is \$5.01 then the full amount is refundable. Note though that the default arrangement for Members will be that any excess payment of \$5 or more will be retained by the SAS and offset against future payments (e.g. subscription fee) for that member. The member can, of course, request payment if s/he so desires.

If a member should not renew membership, then any monies being held will be retained as part of their account for a maximum of two years. If the member has not renewed membership in that time, then such monies will become part of the SAS general funds.
- d) **Bank Charges, Telegraphic Transfer Charges, PayPal Charges, etc.-**

All such charges must be paid by the sender of money if payment is made to the SAS.

SAS will deduct the charges from the payment where the payment is a reimbursement to a person who cancels her or his attendance at a Conference or event or who requests for some other refund. SAS will pay the charges if the refund was required due to a SAS administrative error.
- e) **Meal Allowance** - Council wishes to encourage volunteerism and groups of individuals often meet during lunchtime or immediately after work. Hence, a provision of up to \$20 per person would be appropriate for meals. To foster a collegiate meeting, where possible, meals should be arranged such that the Committee/Working Party eats together. In exceptional

circumstances, the Committee Chair may approve reimbursement if a Committee member needs to purchase her or his lunch/refreshment herself or himself.

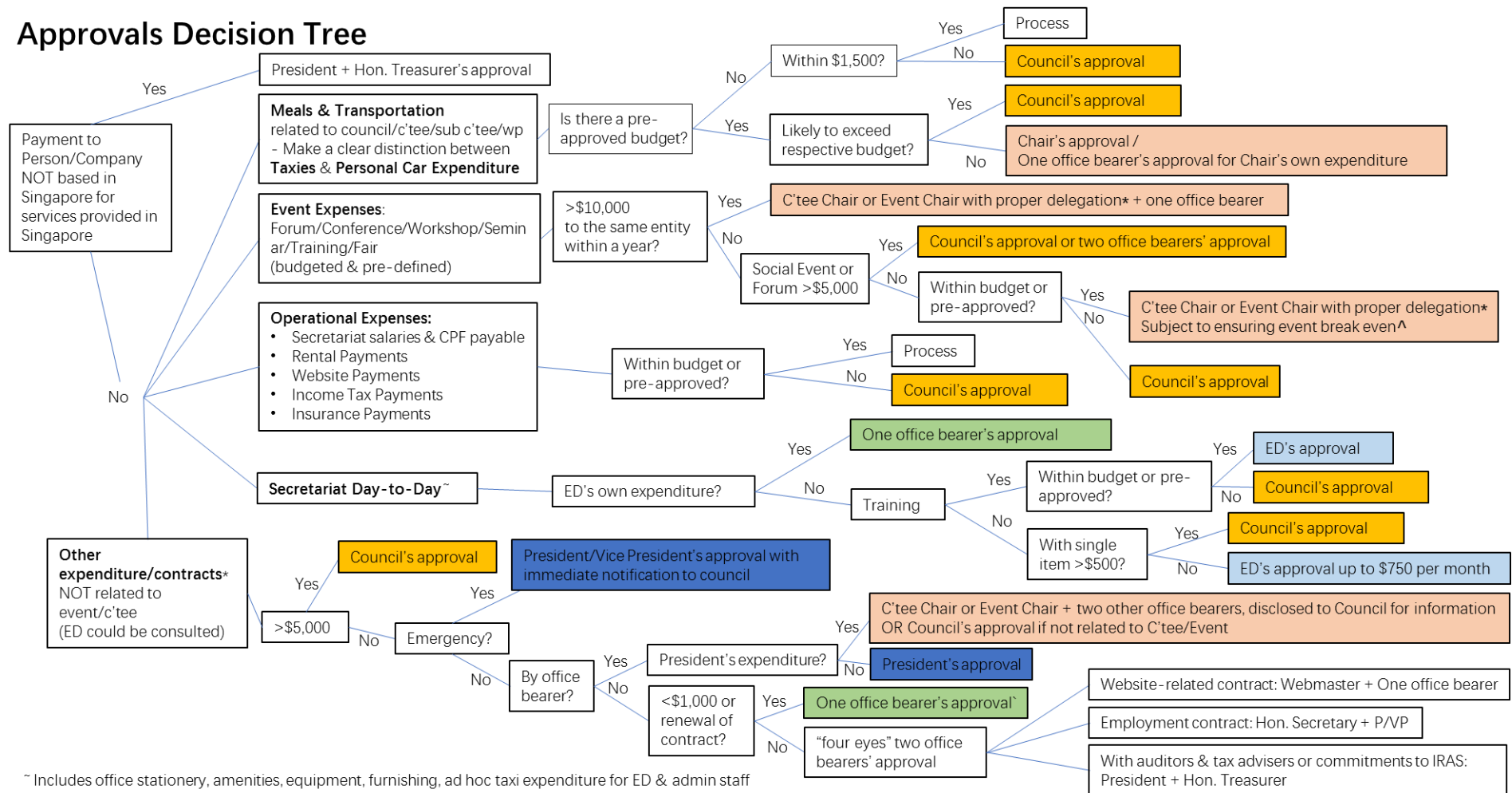
- f) **Taxies** - Generally, volunteers are not encouraged to claim taxi expenses (within Singapore) but exceptions should be made for appropriate e.g. medical reasons or where the role involves very significant work or travel associated with SAS activities.

Secretariat staff should be reimbursed for taxi travel (but they should think about cost efficiency so as not to involve an unreasonable amount of travel and consider their own safety).

- g) **Personal Car expenditure** - A similar approach is applied to all personal car related expenses e.g. petrol reimbursement, car parking charges, tolls, fines etc. This information needs to be reported separately to IRAS in the annual tax submission.
- h) **SAS's Committee Meeting Room** – Members are encouraged to use the SAS Committee Meeting Room at SAS offices in Lian Huat Building for their meetings.

[Chairs of Committees / Conferences as at 20 June 2019](#) can be found at this link.

Approvals Decision Tree



~ Includes office stationery, amenities, equipment, furnishing, ad hoc taxi expenditure for ED & admin staff

^ The Conference Chair must seek the Committee Chair approval for the reimbursement of their own expenditure.

* If the Chair wishes to delegate approval of Conference expenses or signing contracts for amounts less than SGD 10,000, s/he may do so provided s/he informs the Honorary Treasurer and Executive Director

~One office bearer can renew a contract e.g. medical insurance contract for the secretariat, as long as the terms, conditions and price are substantially the same as per expiring contract