



SINGAPORE  
ACTUARIAL  
SOCIETY

# Expenditure And Authorisation Limits

Updated on 16 June 2022

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3					
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# Expenditure and Authorisation Limits

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## Article 1: Objective

This policy outlines the process surrounding payments, reclaiming reimbursements and for entering binding contracts, as part of the internal control process of the "Singapore Actuarial Society", hereafter referred to as the "SAS" in the rest of the document.

## Article 2: Scope

This policy applies to any party in or related to the SAS who approves payments, makes payment/enters into contracts or intends to claim reimbursement from/on behalf of the SAS.

## Article 3: General Principles

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. Further details on withholding tax can be obtained from the Payments to Non-Singapore Tax Resident Entities Guidelines.
- 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 signatories or approvers.
- 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.

## Article 4: Budget

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 expenses related to meals/transport 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.

## Article 5: Processing Payments

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

Authorised signatories are defined as the Office Bearers (comprising President, Vice President, Honorary Secretary and Honorary Treasurer), the Executive Director, and/or any persons authorised by Council to approve an expenditure and process payments/reimbursements for SAS.

All SAS direct payments/reimbursements of expenditure can only be processed by two approved signatories (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.

Authorised signatories, when processing a direct payment/reimbursement can only do so if the payment/reimbursement has been properly approved.

The signatories, when processing a direct payment/reimbursement, will rely on the Secretariat Finance staff to check that:



- necessary approvals have been obtained and expense form completed;
- prior to significant payments or commitments are within approved limits;
- payment would not mean that one of SAS's bank accounts would go into overdraft.

**Debit Cards** – Debit cards issued by the bank are intended for use for on-going and ad-hoc expenditure for the SAS office and operations. Inevitably their use at time may involve a mixture of approving and processing payments. The monthly limit for this card is approved by the Council. The named cardholder is authorized to make payments with the corporate credit / debit card (without prior pre-approval) on items not exceeding S\$2000 per transaction and S\$5,000 maximum in any calendar month

Any items or expenditures above S\$2,000 per transaction or above S\$5,000 in any calendar month made with the corporate credit / debit card must be pre-approved by an Office Bearer.

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

For ease of administration, the approval and processing of the payments can be done in the same email or at the same time.

## Article 6: Approval of Payments & Signing Of Contracts

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>), example being taxi receipt is the only evidence of such a contract which then allows a reimbursement claim.

For all payments/reimbursements an expense form needs to be completed for bookkeeping and proper records. (Link: [SAS Expense Claim Form](#)).

### 6.1: Committee Expenses

The Chair of the Committee has the authority to approve all Committee related expenses that are within approved budget (which if no budget has been sent to Council 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.

To encourage volunteerism, groups of individuals often meet during lunchtime or immediately after work. Hence, a provision of up to \$20-\$25 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.

The Committee Chair must seek a signatory's approval for the reimbursement of their own expenditure.

### 6.2: Event Expenses

An event refers to any activity that is not regular (i.e., not a meeting of Council, committee, sub-committee or working group) – this includes and is not limited to conferences, social events and forum events.

Social events and forums are generally events that have a duration of less than 4 hours or involves less than 100 (possible) registrants. Conferences are major events that do not qualify as social events or forums and are often full day or multiple day events.

The Chair of the Committee has responsibility for the expenses within the budget, the signing and approval of any related contracts in this category.

Only if the approved budget looks to be exceeded does the Chair have to revert back to Council for further approval.

#### 6.2.1: Social Events and Forums

The respective Chair of the Committee organising social events and forums may only enter into contracts and approve payments below the amount of \$5,000.

Entering into contracts above S\$5,000 would require the prior approval from Council or Office Bearers.

#### 6.2.2: Conferences

For the signing of Conference contracts on amounts less than \$10,000 and within the approved budget, the Chair of the Committee can approve payment and sign the contract, subject to ensuring the Conference meets the pre-approved budget and goals set..



Any Conference related contract that is likely to incur total expenditure of more than \$10,000 must be signed by two (distinct) individuals:

- One Office Bearer or Executive Director;
- Chair of the Committee or Chair of the Conference

The Committee Chair may delegate the approval (but not the responsibility) of events related expenses or signing contracts for amounts less than \$10,000 if he/she informs the Honorary Treasurer and Executive Director as to the identity of the Conference Chair. No further delegation by the Chair of the Conference or of the Event is allowed.

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

### 6.3: Secretariat Office Operational Expenses

The Executive Director is authorised to approve expenditure up to \$2,000 per transaction on items related to the running and management of the Secretariat office such as;

- Payments to government authorities (e.g., ROS, IRAS, MOM)
- Office stationery, amenities, and software
- Secretariat expenses related to events (e.g., printing, gifts and vouchers)
- Secretariat training expenses (with approval by 1 Office Bearer)
- Office equipment & furnishing
- Office related services (e.g., cleaning, service providers, IT support/troubleshooting)
- Ad hoc taxi expenditure (including for ED and admin staff)

Expenditures above \$2,000 per month per transaction requires 1 Office Bearer to approve.

If any member of the Secretariat is working after 9pm (which should be rare), transport expenses without prior approval is allowed, provided notification is provided to the Executive Director the next day.

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

### 6.4: General and All Other Expenditures

#### **Expenditures below \$5,000**

For pre-approved expenditures below \$5,000 per transaction or contract renewals (other than Conference and Committee expenditures), one signatory can enter a contract & approve expenditure.

For administrative convenience, the approved budget would allow entering the following contracts and payments to be made by signatories without reverting back to Council on:

- Secretariat salaries and CPF payable
- Office/Rental payments
- Website and IT related payments
- Income Tax payments
- Insurance payments

Contract renewals can be approved by 1 signatory (e.g., medical insurance for the Secretariat), as long as the terms, conditions and price are substantially the same as per expiring contract. Substantially the same shall mean that renewal costs are within 10% of the expiring costs.

An emergency payment of up to \$5,000 can be approved by either the President or Vice-President but with immediate notification to Council by email. It is expected such payments would be rare. Example of emergency expenses may include payments demanded by any government authority that SAS is obligated to pay, medical or travel emergencies - when a delay in getting approval might endanger the well-being of SAS staff.

For expenditures below \$5,000 that have not been pre-approved or are not contract renewals, 2 signatories can enter a contract and approve expenditure.



## Expenditures above \$5,000

For expenditures above \$5,000, two signatories together can approve payment provided the expenditure has been pre-approved by Council. A series of payments to one entity should be grouped together in determining these limits.

Contract renewals can be approved by two signatories as long as the terms, conditions and price are substantially the same (i.e., within 10% of expiring costs) as per expiring contract.

The President can approve reimbursement of other Office Bearers' expenditure. The President's own expenditure should be approved by two other Office Bearers.

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

### 6.4.1: Signing of Contracts (New Contracts and Renewals)

For contracts where expenditure would be above \$5,000 p.a., two signatories must sign the contract provided Council approve entering into the contract.

For employment contracts the two signatories should be:

- The Honorary Secretary or Executive Director; 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 Honorary Treasurer and
- The President or Executive Director

For contracts where expenditure would be below \$5,000 p.a., one signatory must sign the contract provided Council approve entering into the contract.

For website related expenditure and entering into a contract on IT related matters (including software purchases), the Executive Director/Digital Lead can replace one of the Office Bearers in approving and signing contracts.

## Article 7: Other Matters

- General Sponsorship** – it is recognised that general sponsorship of the SAS is sought from a number of organisations and that sponsorship is for the benefit of the whole SAS 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 SAS' funding, and any overrun in a conference due to the issue of free passes is accepted by the Council.
- 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.
- 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 an amount below \$10.

Amounts above \$10 owed by an individual to the SAS will be fully payable. Similarly, if refund to an individual is above \$10 then the full amount is refundable.

The default arrangement for Members will be that any excess payment of \$10 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.



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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) **Taxis** – 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).

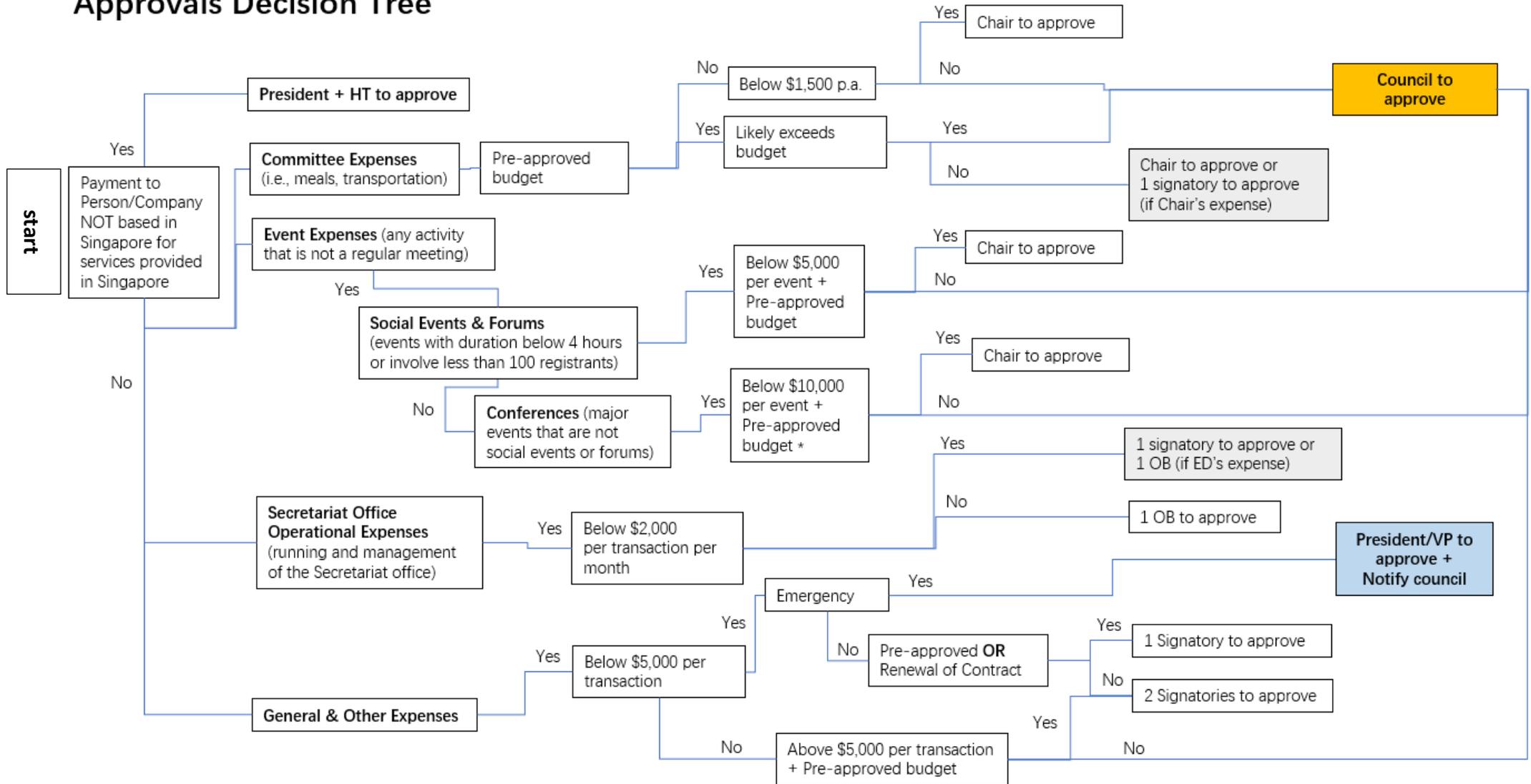
f) **Personal Car expenditure** – A similar approach is applied to all personal car related expenses e.g., petrol reimbursement, car parking charges, tolls, fines etc. This information needs to be reported separately to IRAS in the annual tax submission.

g) **Meetings** – Members are encouraged to conduct meetings in a meeting room within a member's employer's office or virtually.

h) **Attendance at Non-SAS In-person Meetings** – Eligible SAS representatives must have obtained approval from the SAS Council to represent SAS and its interests at non-SAS in-person meetings (for example IAA meetings), at least 3 months prior to such meetings.

- i. Such expenses should be reflected in the committee's budget for SAS Council approval, as soon as practicable.
- ii. Such funding for in-person meetings is limited to 2 times in a calendar year.
- iii. The funding may cover reasonable transportation expenses from Singapore to the meeting venue and return trip to Singapore (i.e., Round-trip economy flights, rail, taxi, accommodation and meals).
- iv. Attendees are expected to provide a short report to Council after the event.

# Approvals Decision Tree



Signatory is defined as the Office Bearers (comprising President, Vice President, Honorary Secretary and Honorary Treasurer), the Executive Director, and/or any persons authorised by Council.

\* 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