



[Your Organization's Name]

Expense Authorization Policy

1. Purpose

The Expense Authorization Policy serves as the primary framework for ensuring that [Organization Name]'s financial resources are managed with the highest level of integrity, transparency, and efficiency. As a non-profit organization, we hold our funds in trust for the benefit of the communities we serve; therefore, every expenditure must directly support our mission and strategic objectives.

The purpose of this policy is to:

- **Protect the Organization:** Establish clear internal controls to prevent financial mismanagement, fraud, or unauthorized spending that could jeopardize our NPO status.
- **Ensure Fiduciary Accountability:** Provide a consistent standard for the stewardship of donor-restricted funds and general operating capital.
- **Define Authority:** Clearly outline the levels of spending authority assigned to staff and leadership to streamline operations while maintaining oversight.
- **Support Audit Readiness:** Ensure that all financial transactions are backed by appropriate documentation, satisfying the requirements of the South African Revenue Service (SARS), the Department of Social Development, and our independent auditors.

By adhering to these guidelines, [Organization Name] demonstrates to its donors, partners, and beneficiaries that we are committed to ethical financial practices and the long-term sustainability of our programs.

2. Expense Approval Authority:

- 2.1. Expense approval authority is delegated to specific individuals based on their roles, responsibilities, and levels of authority within the organization.



- 2.2. The individuals authorized to approve expenses may include, but are not limited to:
- 2.3. Executive Director: Authorized to approve expenses within their specified authority limit.
- 2.4. Finance Director: Authorized to approve expenses within their specified authority limit.
- 2.5. Department Heads/Managers: Authorized to approve expenses within their respective departments or programs, up to a specified limit.
- 2.6. Board of Directors: Authorized to approve expenses beyond the limits of the executive director or finance director, as determined by the board's policies and procedures.

3. Expense Approval Limits:

- 3.1. Each authorized individual will have a specific expense approval limit, beyond which higher-level approval is required.
- 3.2. Expense approval limits will be determined based on factors such as the individual's role, budgetary responsibility, and the organization's financial policies.
- 3.3. The expense approval limits for each authorized individual should be clearly communicated, documented, and periodically reviewed for appropriateness.

4. Expense Reporting and Documentation:

- 4.1. Employees and individuals incurring expenses on behalf of the organization are responsible for accurately reporting their expenses and providing appropriate supporting documentation.
- 4.2. Expense reports should be submitted in a timely manner, following the organization's designated expense reporting procedures.
- 4.3. The required documentation for expense reimbursement may include original receipts, invoices, contracts, travel itineraries, or other relevant supporting documents.
- 4.4. Supporting documentation should include details such as the date, description of the expense, amount, and the business purpose for the expense.
- 4.5. The organization may provide expense report templates or use an expense management system to streamline the reporting process and ensure consistency.



5. Expense Reimbursement Process:

- 5.1. Expenses that are compliant with this policy and supported by appropriate documentation will be eligible for reimbursement.
- 5.2. Reimbursement requests should be submitted in accordance with the organization's reimbursement procedures, including deadlines for submission.
- 5.3. The finance department or designated personnel will review and process reimbursement requests, ensuring accuracy and compliance with policy guidelines.
- 5.4. Reimbursements will be processed promptly, and payment will be made through the organization's approved payment methods.

6. Policy Review and Updates:

- 6.1. This Expense Authorization Policy will be reviewed periodically to ensure it remains aligned with the organization's financial needs, best practices, and changing regulatory requirements.
- 6.2. Any updates or changes to the policy will be communicated to relevant staff members, the finance department, and the board of directors, and training will be provided as necessary.

By following this Expense Authorization Policy, we establish a framework for responsible expense management, appropriate approval processes, and accurate financial reporting. Clear guidelines for expense authorization, reporting, and reimbursement promote transparency, accountability, and financial control within the organization. If you have any questions or require further guidance regarding expense authorization, please contact the designated authority within the organization.

The templates provided are for general guidance only and not legal advice. Their use is at your own risk, and we are not liable for any damages arising from their use. Consult legal or professional advisors for tailored policies.