

CORPORATE POLICY			
Department	Corporate Governance	Number	CP-005
Subject	Spending Limits	First Issued	October 15, 2013
		Effective	December 12, 2023
Issued to	Board of Directors, Employees and Volunteers	Version	06
Approved by	Board of Directors	Next Review	September 2024

1.0 POLICY STATEMENT

The Calgary Stampede recognizes the need to assign authorities and financial responsibilities to ensure the efficient and effective operation of the organization.

2.0 POLICY RATIONALE

The purpose of this policy is to establish a clear understanding of the respective authorities of the board of directors (board) and the executive management team relative to the business operations of the Calgary Stampede.

It establishes a framework for delegating authority within the organization and ensures that responsibility and autonomy are assigned to the appropriate level.

3.0 SCOPE

This policy applies to the Calgary Stampede board of directors, employees and volunteers.

4.0 POLICY DEFINITIONS

Executive management team: refers to one or all of the persons who have been appointed as a signing officer and may hold the position of chief executive officer or vice president.

Extreme circumstances: relate to the protection, health and safety of Stampede employees, volunteers, the public, animals, the environment and other emergency situations.

Personal expenses: includes any business-related, promotional, travel related and/or hospitality expenses incurred by an employee or volunteer for which reimbursement is approved.

Schedule of delegations: a record of all delegations made by the chief executive officer.

Senior management team: refers to the management directors of the organization as well as any additional manager designated by the chief executive officer.

Standard template: a contract template that has been approved by the accounting department.

Variable Operating Costs: costs which are not fixed, and may vary in relation to revenue. The cost of goods sold, commissions and direct labour are examples of variable operating costs.

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5.0 POLICY DETAILS

5.1 General Statements

5.1.1 Delegated authorities are the mechanisms by which the Calgary Stampede enables employees and volunteers of the organization to act on behalf of the organization. Delegations and authorities are a key element in effective governance, and provide formal authority to employees or volunteers to make financial decisions.

5.1.2 The board has unlimited financial authority, and the board establishes the authority of the chief executive officer.

5.1.3 The executive management team may delegate spending authorities and where it does so a copy of the delegation will be maintained by the accounting department.

5.1.4 Delegation of authority will be based on business need. It is restricted to an individual's area of responsibility and may differ across departments, committees or employee positions.

5.1.5 Delegated authorities cannot be exercised where the employee or volunteer holding the delegation or authority has a conflict of interest, and any conflicts of interest should be declared to a member of the executive management team or the president and chair of the board.

5.1.6 Where a delegated authority holder is unable to carry out the duties associated with their delegation due to vacation, business travel, illness or other exceptional circumstances, the delegated authority escalates to that employee's immediate supervisor or it may be temporarily delegated to a nominated individual for a set period of time.

5.1.7 In the absence of specific designations, employees and volunteers have no authority for financial decisions.

5.1.8 Each employee and volunteer is responsible for understanding his/her approved authority and the process to be followed in executing that authority.

5.2 Record of Delegations

5.2.1 All delegations must be recorded either within this policy, in the schedule of delegations - which will be administered by the executive management team, or for delegated spending authorities - in the schedule maintained by the accounting department.

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5.3 Exercise of Delegations

- 5.3.1** Authorities must be exercised in accordance with the level of delegation specified within this policy and/or in the delegation schedule.
- 5.3.2** A delegation held at a nominated level is also held by all higher level managers in the delegate's reporting line.
- 5.3.3** Transactions that exceed the levels of authority set out for the chief executive officer must be reviewed by the Audit and Finance Committee and approved by the board.

5.4 Review of Delegations

- 5.4.1** Delegations will be reviewed in conjunction with any organizational structure review or at the request of the board.

5.5 Spending Limits

- 5.5.1** An individual's authority must not exceed that of the person to whom he/she reports.
- 5.5.2** In the event an employee or volunteer, for valid business reasons, requires an authority and/or spending limit greater than what is set out in this policy, such limits may be increased by the chief executive officer or the vice president and chief financial officer. An increase in limit must be reviewed and approved in writing by the chief executive officer or the vice president and chief financial officer.
- 5.5.3** All exceptions to authorized spending limits must be reported to the chief executive officer. Exceptions made by the chief executive officer must be reported to the Audit and Finance Committee.
- 5.5.4** All amounts are expressed in Canadian dollars and exclude taxes. In the event an expenditure or commitment is contemplated in a currency other than the Canadian dollar, the foreign currency equivalent of the Canadian dollar shall apply.
- 5.5.5** Contracts that extend over one year or that are without a fixed term shall not be subdivided or split into smaller transactions for purposes of avoiding the authorization requirements.

5.6 Personal Expenses

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5.6.1 In cases of personal expenses associated with two or more volunteers or employees in a direct reporting line, the senior employee is required to incur the expense and submit the claim.

5.6.2 The following structure of approvals shall be followed with respect to personal expenses, subject to such individual having sufficient approval limit under the provisions of the policy:

Title(s):	Approval Required From:
President and chair of the board	Immediate past president or chair of the Audit and Finance Committee
Directors (excluding president)	President and chair of the board
Chief executive officer	President and chair of the board
Vice presidents	Chief executive officer
Senior management team, managers and employees	Executive management team member or senior management team member to whom they report
Committee chair	Staff liaison
Stampede volunteers	Committee chair

5.6.3 In cases where the designated approver is unavailable to approve the expenses of a volunteer or employee, the next most senior available employee in the reporting line is required to approve the expense.

5.7 Annual Budgets and Reporting

5.7.1 An annual budget, for each fiscal year, will be prepared by the executive management team and presented to the Audit and Finance committee for review and for board approval in December of each year. The budget will include, but is not limited to:

- i) Operating revenues;
- ii) Operating expenses;
- iii) Committee revenue and expenditure analysis;
- iv) Discretionary projects;
- v) Capital expenditures;
- vi) Long-term cash flow forecasts;
- vii) Debt and debt repayments, levels, restrictions and covenants; and,
- viii) Inventory assets.

5.7.2 Following board approval, the executive management team will not exceed the budget except as outlined in the Over and Unbudgeted Expenditures section of this policy (section 5.10).

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5.7.3 The executive management team is authorized to reallocate amounts within an authorization for expenditure for previously approved capital projects provided that the overall capital budget is not exceeded. The executive management team may add new projects as long as they are completely funded from an authorized discretionary budget or capital contribution. All changes to the approved capital budget and carry-forward capital projects must be presented to the Audit and Finance committee annually.

5.8 Expenditure Contracts

5.8.1 The board has granted the chief executive officer unlimited authority to approve commitments and expenditures within the approved annual operating and capital budgets. In the absence of specific delegations per 5.5.2 the following limits are in effect:

Title(s):	Operational Budget Limit:	Capital Budget Limit:
Executive management team	Up to \$1,000,000	Up to \$1,000,000
Senior management team	Up to \$100,000	Up to \$100,000
Committee chair	Up to \$10,000	Up to \$10,000
Manager	Up to \$10,000	Up to \$10,000

5.8.2 As a guiding principle, the Stampede will conduct business on a competitive basis, whereby contracts will be awarded after obtaining competitive quotes. Contracts in excess of a total value of \$50,000 can only be awarded after obtaining three (3) competitive quotes. Contracts in excess of \$100,000 must go through a request for proposal process.

5.8.3 Each contract requires execution by at least two (2) employees or volunteers. One individual will have the most knowledge of the contract and the other will have sufficient level of approval authority.

5.8.4 In the case of multi-year contracts, the above amounts apply to the total contract value over the lifetime of the contract. (E.g. An executive management team member is the required approval level to authorize a 5-year contract with expenditures of \$200,000 per year). In the case where the total contract value exceeds the amounts set out in 5.8.1, a second signature must be obtained from either the chief executive officer or the vice president and chief financial officer.

5.8.5 Non-competitive contracts ("sole source contracts") will only be entered into within the levels of authorization identified in this

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policy and they will only be entered into where there is sound business reason for the contract. Sole source contracts entered into for operating purposes require a written justification for review by the Audit and Finance Committee. Justifications to award sole source contracts include:

- i) A specified proprietary product is required for operational reasons or where the introduction of a non-standard item would cause difficulties or significant additional operating costs;
- ii) A monopoly of the technology essential to the procurement is held due to a patent or licensing position;
- iii) Multi-year relationships with professional service providers will be reviewed every five years and when it is practical to do so these will be made available to competitive bid;
- iv) Extreme circumstances that preclude a normal competitive process; and,
- v) Exclusive sponsorship agreements.

5.8.6 The following details the sole source contract limits:

Title(s):	Sole Source Contract Limit:	Sole Source Contract Capital Limit:
Board of directors	Unlimited	Unlimited
Chief executive officer	Up to \$1,000,000	Up to \$1,000,000
Executive management team	Up to \$100,000	Up to \$100,000
Senior management team	Up to \$25,000	Up to \$25,000
Manager/Committee Chair	None	None

5.8.7 The Audit and Finance committee will be provided with information on all sole source contract awards over \$100,000 at its next scheduled meeting following such awards.

5.8.8 Musical entertainment and performing arts contracts are excluded from the requirements of clauses 5.8.6, 5.8.7 and, but the limits in 5.8.1 will apply.

5.9 Employee Time Authorization

5.9.1 Budget managers have authority to approve employees' hours within their approved budget(s). Budget managers have the authority to delegate the approval of employee hours to an employee's direct supervisor up to a maximum of 40 hours per week.

5.10 Over and Unbudgeted Expenditures

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5.10.1 Variable operating costs may differ from amounts originally approved. Variable costs that exceed budget and are within expected operating margins are excluded from this section of the policy.

5.10.2 Actual costs (operating or capital) may exceed amounts originally approved, providing the following criteria are met:

- approval is gained from an individual having a sufficient level of authority;
- the individual with the authority has the authority to spend against that budget code; and
- the individual is at a level of authority greater than the individual requesting the overage.

5.10.3 The following specifies the requirements for approval for over and unbudgeted expenditure limits:

Excess of:	Approval Required From:
10% or more, where 10% exceeds \$1,000,000	Board of directors
10% or more, where 10% exceeds \$100,000	Chief executive officer
Between \$25,000 and \$100,000	Executive management team
Up to \$25,000	Senior management team
Up to \$10,000	Committee chair or staff liaison

5.10.4 The board has granted the chief executive officer authority to approve cumulative annual unbudgeted operating commitments and expenditures up to \$1,000,000, and this authority cannot be delegated.

5.10.5 In Extreme circumstances, the board has granted the chief executive officer such spending authority as required (including on sole source contracts) provided that as soon as practical the chief executive officer consults with the president and chair of the board. Expenditure commitments in excess of \$1,000,000 will be reported to the board.

5.10.6 In Extreme circumstances where the executive management team cannot be notified, employees should exercise prudence and judgment in exceeding their approval authorities and spending limits. Subsequent written approval from the executive management team must be obtained.

5.11 Insured Losses

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5.11.1 The executive management team is authorized to spend such money as it reasonably expects to recover from insurance proceeds to restore Stampede assets to the condition they were in prior to experiencing the loss. Insurance losses and expected recoveries greater than \$100,000 will be reported to the Audit and Finance Committee once the loss is known.

5.12 Revenue Contracts

5.12.1 The following specifies the requirements for approval for revenue contracts:

Title(s):	Revenue Contract Limit:
Executive management team	Unlimited
Senior management team	Up to \$250,000 for sponsorship contracts. Unlimited for space and services license agreements (trade shows, special events, concerts and similar activities) provided our standard license agreement is in use and is not amended.
Budget managers, Committee chair	Up to \$25,000; or up to \$100,000 where a standard template is utilized.

6.0 RESPONSIBILITY FOR POLICY ADMINISTRATION

This policy is administered and maintained by executive management team. For interpretation of financial authorities, individuals should contact the Calgary Stampede vice president and chief financial officer.

7.0 REFERENCES

Stampede By-laws: this policy is subject to the by-laws of the Stampede and the by-laws shall govern in any case where there is an inconsistency or conflict between the by-laws and the policy.

- CP-001 Governance
- CP-003 Code of Conduct
- CP-004 Delegated Authorities
- CP-006 Health, Safety and Environment

8.0 RESCIND DETAIL

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