Delegation of Authority Matrix

Who can approve what at [Company name], and up to which limit.

Start here. Read this sheet first, then use the Delegation Matrix sheet. Rows marked Yes in the Example column are example entries only: change every limit to fit [Company name] before you use it.

Purpose	This matrix sets out, in one place, who at [Company name] can approve each type of decision or spend, and up to which limit. It stops decisions being made by the wrong person and gives everyone a clear rule to follow.
Company	**[Company name]**
Approved by	**[Name and role]**
Date approved	**[Date]**
Review date	**[Review date]**
How to use it	1. Work through the Delegation Matrix sheet row by row and set the limit for each authority level. Use the dropdown in each cell to pick a limit, or type your own. 2. Delete any row that does not apply and add rows for decisions your business makes that are not listed. 3. If a limit is exceeded, the decision moves up to the next level. No one may approve their own spending or a decision that benefits them personally.
Authority levels	Board: the board of directors, or the owners where there is no board. Managing Director: the most senior executive in the business. Department Head: the head of a department or function. Manager: a line manager or team leader.
Reading a cell	"Up to £5,000" means that level may approve the item when it costs £5,000 or less. "Above £5,000" means the item must go to that level when it costs more than £5,000. "Recommend only" means the level may recommend the item but may not approve it. "No authority" means the level may not approve the item at all.
Example entries	Rows marked Yes in the Example column of the Delegation Matrix sheet are examples only. They are not the rules of [Company name]. Change every limit before you use this matrix.

Delegation of Authority Matrix

Decision and spend categories as rows, authority levels as columns. Each cell shows the approval limit for that level.

Use the dropdown in each limit cell to pick a limit, or type your own. Rows marked Yes in the Example column are examples only: change every limit to fit [Company name] before you use it.

Decision or spend	Description	Board	Managing Director	Department Head	Manager	Example?
Approve annual budget	Annual operating and capital budget for [Company name]	Unlimited	Recommend only	No authority	No authority	Yes - example
Approve capital spending	Single capital purchase or project	Above £50,000	Up to £50,000	Up to £10,000	Up to £1,000	Yes - example
Approve operating spending	Single operating purchase or order	Above £25,000	Up to £25,000	Up to £5,000	Up to £500	Yes - example
Sign supplier contracts	Contracts with suppliers and service providers	Above £50,000	Up to £50,000	Up to £10,000	No authority	Yes - example
Sign customer contracts	Contracts and agreements with customers	Above £50,000	Up to £50,000	Up to £10,000	No authority	Yes - example
Approve staff recruitment	New roles and replacement hires	Unlimited	Approve	Recommend only	No authority	Yes - example
Approve salaries and pay rises	Starting salaries, pay rises and bonuses	Above £10,000	Up to £10,000	Recommend only	No authority	Yes - example
Approve staff expenses	Staff expense claims and travel	Unlimited	Up to £5,000	Up to £1,000	Up to £250	Yes - example
Approve refunds and credits	Refunds or credits given to customers	Above £5,000	Up to £5,000	Up to £1,000	Up to £250	Yes - example
Approve discounts	Discounts off standard prices	Above 20%	Up to 20%	Up to 10%	Up to 5%	Yes - example
Approve write-offs	Writing off bad debts or stock	Above £5,000	Up to £5,000	Up to £1,000	No authority	Yes - example
Open or close bank accounts	Bank accounts in the name of [Company name]	Unlimited	Recommend only	No authority	No authority	Yes - example
Approve borrowing	Loans, overdrafts and other borrowing	Unlimited	Recommend only	No authority	No authority	Yes - example
Approve legal action	Starting or settling legal proceedings	Unlimited	Recommend only	No authority	No authority	Yes - example

Decision or spend	Description	Board	Managing Director	Department Head	Manager	Example?
Approve new products or services	Launching a new product or service	Unlimited	Approve	Recommend only	No authority	Yes - example
Approve marketing spend	Single marketing campaign or commitment	Above £10,000	Up to £10,000	Up to £2,000	Up to £500	Yes - example
Approve IT purchases	Hardware, software and IT services	Above £10,000	Up to £10,000	Up to £2,000	Up to £500	Yes - example
Approve property leases	Leases and property agreements	Unlimited	Recommend only	No authority	No authority	Yes - example
Approve insurance cover	Insurance policies and renewals	Above £10,000	Up to £10,000	Recommend only	No authority	Yes - example
Approve donations and sponsorship	Donations and sponsorship payments	Above £1,000	Up to £1,000	Up to £250	No authority	Yes - example

Summary (calculated automatically)

Items this level can approve (not "No authority")	**20**	**20**	**15**	**7**	
Items where this level has unlimited authority	**8**	**0**	**0**	**0**	
Items where this level may only recommend	**0**	**5**	**4**	**0**	
Total items in the matrix	20	20	20	20	

Definitions and notes

What each authority level means, and the rules that go with this matrix.

Change these definitions to match how [Company name] is organised. Nothing in this workbook is a legal requirement.

Board	The board of directors, or the owners where there is no board. Approves the largest spends, borrowing, property and legal matters.
Managing Director	The most senior executive in the business. Approves day-to-day spending up to the limits in the matrix.
Department Head	The head of a department or function. Approves spending inside their own department up to the limits in the matrix.
Manager	A line manager or team leader. Approves small, routine spending up to the limits in the matrix.
Up to a limit	That level may approve the item when it costs that amount or less. Anything above the limit goes to the next level up.
Above a limit	The item must go to that level when it costs more than the amount shown.
Recommend only	That level may recommend the item but may not approve it. Approval must come from a higher level.
No authority	That level may not approve the item at all.
Conflicts of interest	No one may approve their own spending, their own pay, or a decision that benefits them personally. If in doubt, pass the decision up a level.
Review	Review this matrix at least once a year, and whenever the business changes how it is organised or who holds each role.