



# **Royal Perth Yacht Club of Western Australia Inc.**

## **Management Limitations Policy**

**July 2023**

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## **1. General Executive Constraint**

- 1.1. The General Manager shall not cause or allow any practice, activity, decision or organisational circumstance that is unlawful, unethical, imprudent, in violation of the Royal Perth Yacht Club (RPYC) Constitution, By-Laws and Governance Manual, including other policies and guidelines referenced within these documents, or in violation of commonly accepted business practices.

## **2. Treatment of the Members**

- 2.1. With respect to interactions with members, the General Manager shall not cause or allow conditions or procedures that are unfair, unsafe, untimely, unresponsive, disrespectful or unnecessarily intrusive.
- 2.2. The General Manager shall not elicit information for which there is no clear business necessity.
- 2.3. The General Manager shall protect against improper access to material elicited from members, reviewed, transmitted, stored and destroyed.
- 2.4. The General Manager shall clearly communicate to members what may be expected from the services offered.
- 2.5. The General Manager shall have safety policies and procedures in place and utilised by all employees.
- 2.6. The General Manager shall provide an effective complaint and suggestion response process.

## **3. Treatment of Staff**

- 3.1. With respect to the treatment of staff, the General Manager shall not cause or allow conditions that are unsafe, undignified or disrespectful.
- 3.2. The General Manager shall not operate without a written personnel manual, approved by General Committee, which clarifies personnel rules for employees, provides for effective handling of grievances, and protects against wrongful conditions.
- 3.3. The General Manager shall not retaliate against a staff member for non-disruptive, internal expression of dissent.
- 3.4. The General Manager shall not prevent staff from grieving to General Committee when:
  - 3.4.1. Internal grievance procedures have been exhausted.

- 3.4.2. The employee alleges that General Committee policy has been violated.
- 3.5. The General Manager shall not fail to acquaint staff with this policy, and the General Manager’s interpretations of staff protection under this policy.
- 3.6. The General Manager shall not allow staff to be unprepared to deal with emergency situations.

## **4. Financial Consideration & Activities**

- 4.1. With respect to financial condition and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from General Committee priorities established in approved budgets.
- 4.2. The General Manager may not expend more funds than have been received in the fiscal year to-date unless the liquidity and long-term reserves requirements (below) are met.
- 4.3. The General Manager may not incur debt (other than regular use of a credit card for incidental purposes) in excess of the amount approved by the General Committee.
- 4.4. The General Manager may not allow available cash to drop below that amount necessary to meet operating expenditures, debt repayments and capital expenditure over the upcoming thirty (30) day period.
- 4.5. The General Manager shall not utilize more than thirty (30) percent of the Club’s overdraft facilities at any time without prior communicating this need to the General Committee thirty (30) days in advance of its expected use.
- 4.6. The General Manager shall not use General Committee designated long-term reserves/funds.
- 4.7. The General Manager shall not allow inter-fund shifting.
- 4.8. The General Manager shall not fail to settle payroll and payables in a timely manner.
- 4.9. The General Manager shall not allow tax payments or other government filings to be overdue or inaccurately filed.
- 4.10. The General Manager shall not execute a cheque or purchase commitment of greater than \$50,000, unless such expenditure has been explicitly itemised in General Committee approved budgetary data.
- 4.11. The General Manager shall not dispose of any assets above \$5,000 without reporting to the full details of the disposal to General Committee.

- 4.12. The General Manager shall not execute any agreements allowing customised supply of services, goods or right of use of assets for periods longer than three (3) months without the authorization of the General Committee.
- 4.13. The General Manager shall not acquire, encumber or dispose of real property without the General Committee's approval.
- 4.14. The General Manager shall not fail to aggressively pursue material receivables after a reasonable grace period.
- 4.15. The General Manager shall not obtain revenues from sources not, in fact or appearance, legal and consistent with the mission and values of the organisation.
- 4.16. The General Manager shall not use restricted funds for purposes other than stated.
- 4.17. The General Manager shall not fail to exercise adequate internal controls over disbursements to avoid unauthorised payments or material dissipation of assets.
- 4.18. The General Manager shall not allow the execution of bank guarantees without approval on each occasion by the General Committee
- 4.19. The General Manager shall not allow any indemnities, any releases or any hold harmless arrangements without approval on every occasion by the General Committee

## **5. Asset Protection**

- 5.1. The General Manager shall not allow RPYC's assets to be unprotected, inadequately maintained or unnecessarily risked.
- 5.2. The General Manager may not fail to insure against:
  - 5.2.1. Theft and casualty losses to at least 100% of replacement value;
  - 5.2.2. Liability losses to General Committee members, staff and the organisation itself in an amount equal to or greater than the average for comparable organisations; and
  - 5.2.3. Employee theft, dishonesty, fraud and forgery.
- 5.3. The General Manager may not subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 5.4. The General Manager may not fail to employ risk management practices to minimize exposure of the organisation, its General Committee or staff to claims of liability.

- 5.5. The General Manager may not allow any purchase wherein normally prudent protection has not been given against conflict or perceived conflict of interest.
- 5.6. The General Manager may not allow a purchase of \$5,000 or more without having obtained comparative prices and quality. Splitting orders to avoid this requirement is not allowed.
- 5.7. The General Manager may not fail to protect intellectual property, information and files from loss or significant damage.
- 5.8. The General Manager may not receive, process or disburse funds under controls insufficient to meet the General Committee appointed auditor's standards (as set forth in a Management Letter and/or other correspondence).
- 5.9. The General Manager may not compromise the independence of General Committee's audit or other external monitoring or advice.
- 5.10. The General Manager may not invest or hold operating capital in insecure instruments or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- 5.11. The General Manager may not endanger RPYC's public image or credibility or its ability to accomplish the RPYC Strategy.

## **6. Financial Planning & Budgeting**

- 6.1. Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the General Committee's strategic priorities, risk fiscal jeopardy, or fail to be derived from a multi-year strategic plan.
- 6.2. The General Manager shall not allow budgeting that risks incurring those situations or conditions described as unacceptable in the "Financial Conditions and Activities" policy."
- 6.3. The General Manager shall not allow budgeting that omits credible projection of revenues and expenses, separation of capital (including replacement & depreciation) and operational items, cash flow projections, and disclosure of planning assumptions.
- 6.4. The General Manager shall not allow budgeting that plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.
- 6.5. The General Manager shall not allow budgeting that fails to provide less for General Committee activities during the year than is set forth in the RPYC Strategy.

- 6.6. The General Manager shall not deviate from the agreed timeline for drafting, reviewing and approving the annual budget and having the financial statements audited in time for the publication of the Annual Report.

## **7. Emergency Succession**

- 7.1. In order to protect the General Committee from sudden loss of General Manager services, the General Manager shall not fail to ensure that at least two (2) other members of the management team are sufficiently familiar with General Committee and General Manager issues and processes to take over with reasonable proficiency as an interim successor.

## **8. Compensation & Benefits**

- 8.1. The General Manager will not cause or allow jeopardy to RPYC's fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants or contractors.
- 8.2. The General Manager shall not allow annual leave entitlements to be higher than eight (8) weeks for any individual employee at any time.
- 8.3. The General Manager shall not allow long service leave entitlements to be higher than 15 weeks for any individual employee at any time. The General Manager may not change his or her own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.
- 8.4. The General Manager may not establish current compensation and benefits that deviate materially from the geographic or professional market value for the skills employed.
- 8.5. The General Manager shall not broadly increase salaries and wages for employees without authorization from the General Committee within 30 days of the increases.
- 8.6. The General Manager shall not pay any bonuses to any employees without authorization from the General Committee within 30 days of any such payment.
- 8.7. The General Manager shall not allow internal or external gifts and gratuities to be received by employees without keeping maintaining a record available to the General Committee.
- 8.8. The General Manager may not create obligations to consultants over a longer term than revenues can be safely projected, in no event longer than one year.
- 8.9. The General Manager may not establish or change retirement benefits.

## **9. General Committee Awareness & Support**

- 9.1. The General Manager shall not allow the General Committee to be uninformed or unsupported in its work.
- 9.2. The General Manager may not fail to report to the General Committee on at least a monthly basis (or in a timelier manner as appropriate) any actual or anticipated noncompliance with any policy of the General Committee.
- 9.3. The General Manager may not fail to submit monitoring data required by General Committee in a timely, accurate and understandable fashion, directly addressing provision of General Committee policies being monitored.
- 9.4. The General Manager may not let General Committee be unaware of significant incidental information, such as anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal changes. When possible, notification of major internal changes is to be provided in advance.
- 9.5. The General Manager may not fail to advise General Committee if, in his/her opinion, General Committee is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of General Committee or General Committee member behavior that is detrimental to the work relationship between General Committee and the General Manager.
- 9.6. The General Manager may not fail to submit unbiased decision information required periodically by General Committee, or let General Committee be unaware of relevant trends.
- 9.7. The General Manager may not present information in unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: a) monitoring; b) decision preparation (or “action item”); and c) incidental/“FYI.”
- 9.8. The General Manager may not fail to provide a mechanism/support for official General Committee, officer or committee communications and functions.
- 9.9. The General Manager may not change the public image of RPYC without the formal consent of General Committee.
- 9.10. The General Manager may not fail to deal with the General Committee as a whole except when: a) fulfilling individual requests for information, or b) by responding to officers or committees duly charged by General Committee.
- 9.11. The General Manager may not fail to supply the General Committee’s consent agenda, along with applicable monitoring information, all decisions delegated to the General Manager yet required by law, regulation or contract to be General Committee approved.