

allocating circle resources: Lead Link domain, or not?

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8 replies [Last post]

June 18, 2015 - 2:35pm

Koen Bunders



Certified Holacracy Practitioner

Hi all,

Allocating the circle's available resources is an accountability of the Lead Link, but it's not its domain.

So my question is: Without any additional governance, is a role (other than Lead Link) that is spending financial resources that were not explicitly allocated by the Lead Link to that role breaking the rules of the constitution?

My current understanding is that this is not breaking the rules of the constitution because it is not in the domain of the Lead Link.

If it is breaking rules, where do I find that in the constitution? And why isn't it part of the Lead Link domain?

Cheers, Koen

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Like

June 18, 2015 - 6:00pm

#1

Brian Robertson



Certified Holacracy Practitioner

Certified Holacracy Coach

H1 HolacracyOne Partner

Hi Koen - It would be a clear violation of the Constitution, yes, per [Section 2.1.3](#). In fact, not even a Lead Link has the authority to dispose of resources (i.e. spend money), even if there were an explicit Domain at play on that role, unless a Policy ultimately allows it - because delegating a Domain never delegates the right to dispose of resources within the Domain by default. In H1, we have [this policy](#) at the Board level, which is the only reason our GCC Lead Link has the authority to spend money...

- Brian

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June 19, 2015 - 2:22pm

#2

Koen Bunders



Certified Holacracy Practitioner

Thanks Brian.

I now think I get why it is not a domain of the Lead Link. Because of the part "By default, any Domains delegated in this way exclude the authority to dispose of the Domain itself or any significant assets within the Domain, or to transfer those assets outside of the Circle..." in 2.1.3, right?

Just checking: where do I read exactly that no one (other than the Lead Link) is allowed to dispose of resources (i.e. spend money) if it is not a delegated domain (i.e. the default governance situation)? Is it my correct interpretation this part in Section 5.2 makes it clear: "This "Anchor Circle" becomes the broadest Circle in the Organization, and automatically controls all Domains that the Organization itself controls."

Then maybe Section 2.1.3 should say: "By default, any Domains delegated in this way (**or automatically controlled by the Anchor circle**) exclude the authority to dispose of the Domain itself or any significant assets within the Domain, or to transfer those assets outside of the Circle..."

Right? Or am I still off?

Thanks for teaching.

Cheers, Koen

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June 19, 2015 - 2:24pm

#3

akbrandt




Certified Holacracy Practitioner




Hm... so without such a policy who can spend company's money?

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June 19, 2015 - 3:18pm #4

Brian Robertson



-  Certified Holacracy Practitioner
-  Certified Holacracy Coach
-  HolacracyOne Partner


Koen: No one, **even** a lead link, can dispose of resources from a Domain **if** that Domain has been delegated to their role through governance without an extra policy delegating this authority, because delegating a Domain in governance excludes delegating that authority, per Section 2.1.3. (Unless of course someone with that authority has authorized them to.)


Thus, re Andy's question of who can spend company money without such a policy: Only the Anchor Circle Lead Link (who can also authorize others to), because that person fills the role of that whole Anchor Circle, and can thus control all of its Domains fully (none of these Domains have had the limit in 2.1.3 applied yet, because this is pre any delegation). However, once Domains are delegated by the Anchor Circle, the authority to spend isn't delegated along with that by default, unless a Policy says so.


And, if the Anchor Circle is made of Cross Links and not a Lead Link, then the answer to Andy's question is "no one", until a specific Lead Link decision or a broader delegation is proposed via Anchor Circle governance.

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June 19, 2015 - 5:18pm #5

akbrandt 




-  Certified Holacracy Practitioner




So, to use a poor analogy, the LL of the Anchor Circle is like the CEO with all the money and he has to do all the payment until some of that is delegated away together with a domain by a policy that may - for example - include some limits or rules like budgets etc. Correct?

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June 19, 2015 - 5:20pm #6

Brian Robertson





-  Certified Holacracy Practitioner
-  Certified Holacracy Coach
-  HolacracyOne Partner


Yep...

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June 19, 2015 - 5:28pm #7

akbrandt 




-  Certified Holacracy Practitioner

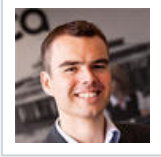
An interesting topic how this plays out at companies that have to abide by all accounting and budgeting rules - plus make sense of managing their finances also in a distributed way. Worth doing a webinar on I think - "Finances in (a company running on) Holacracy".

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June 21, 2015 - 7:17am #8

Koen Bunders 

Thanks Brian. That is clarifying.



 Certified Holacracy Practitioner

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Brian Robertson

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