

# Administrative Procedure 514

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## SIGNING AUTHORITY

### Background

The Division acknowledges its obligation to fulfill contracts or provide payment for those agreements into which it enters. The Board has delegated its signing authority to individuals holding designated positions in the Division. Proper authorization of transactions is required to ensure adequate safeguarding of the Division's assets against loss or improper use, as well as to produce reliable financial records for internal and external reporting. All staff acting on behalf of the Division share in the overall responsibility for the sound stewardship of the Division's finances.

### Definitions

1. Capital Asset: refers to expenditures for goods or services with a value of \$5,000 or more that have a useful life longer than one fiscal year.
2. Capital Project: refers to a capital asset with numerous payments to one or more vendors and/or the capital asset is to be completed over an extended period.
3. Commitment: refers to all contracts and obligations that bind the Division with respect to the expending of the Division public funds or other assets.
4. Consultant: includes services or expert advice provided by an individual or organization in a particular area, such as construction, engineering, auditing, research, or banking, and is not typically considered an employee.
5. Contract: is a legally enforceable business agreement between two or more parties with mutual obligations. A contract may: define procurement of goods and services; define funds (revenue or grants) to be received from a third party; include memoranda of understanding (MOU) or letters of understanding (LOU); and/or have a zero, or null, dollar value. A contract is intended to define responsibilities or deliverables between the parties.
6. Grant Agreement: refers to the contract executed between the granting agency and the grantee after a grant application or proposal has been selected and approved for funding under a grant program.
7. Electronic Fund Transfer (EFT): refers to an electronic transfer of money from one bank account, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff.
8. Employment Personal Services Contract: is a legal agreement, in which the skills or talents of an individual are material (i.e. professional services), between an individual employee and an employer that clarifies the terms and conditions of employment. Payments to the individual are handled through Payroll.
9. Lease: refers to the contract calling for the lessee (user) to pay the lessor (owner) for use of an asset.

10. Purchase Card (P-Card): refers to a corporate credit card used by Division employees.
11. Signing Authority: refers to organizational positions that have delegated approval authority for employees placed in those positions to approve commitments within specified limits.

## **Procedures**

1. The Board Chair, the Vice Chair, the Superintendent and the Associate Superintendent, Business & Finance have been delegated signing authority for the Division.
2. Cheques issued on behalf of the Board will bear the signatures of the Board Chair or Vice Chair and the Superintendent or Associate Superintendent, Business and Finance.
3. Collective agreements with staff groups will be signed by the Board Chair and either the Superintendent or the Associate Superintendent, Business and Finance.
4. Employment contracts for staff will be signed by the Superintendent or the Associate Superintendent, Human Resources and Administration, with the exception of the employment contract for the Superintendent, which will be signed by the Board Chair and the Associate Superintendent, Business and Finance.
5. The Superintendent delegates signing authorities to organizational positions based on specific responsibilities and approved limits.
6. Signing authorities, along with their authority limits and areas of authorization are outlined in Appendix – Signing Authority Matrix. Staff with designated signing authority will exercise the authority for their areas of responsibility (i.e. school, department, account, etc.), as assigned by the Superintendent, within the set limits, and/or within approved budgets.
7. Unless otherwise specified, authority is delegated to a position as opposed to a person.
8. Unless otherwise specified, authority delegated to a position extends to any person acting in the position.
9. During prolonged absences, a signing authority may temporarily delegate their authority for approval and/or signing of contracts to the next lower level positions, as they deem appropriate.
  - 9.1 Such delegation will be completed in writing to the Director of Finance or via Atrieve.
10. Only those individuals with appropriate signing authority will enter into transactions and/or commitments.
11. In applying the limits outlined in Appendix – Signing Authority Matrix, the total value is calculated based on the value of the purchase (over the term of the contract – including extensions), after taxes and freight, and valued in Canadian dollars.
12. Where a commitment exceeds an individual authority limit, the commitment will be forwarded to the next authority limit.

13. Practices that undermine the intent of this administrative procedure, such as splitting large commitments into smaller parts in order to circumvent authority limits, are expressly prohibited.
14. Staff with designated signing authority will avoid conflict of interest and will not authorize transactions when they are the direct or indirect beneficiary. Another signing authority, typically of higher authority, will approve these transactions.
15. Staff with designated signing authority will be aware of and refer to all relevant Division policies and procedures as well as external legislative requirements.
16. Contracts or agreements that include insurance, indemnity or waiver clauses will be referred to the Associate Superintendent, Business & Finance for review prior to approval.
17. Contracts in which no signing authority has been determined and/or contracts with terms over three (3) years, will be brought to the Associate Superintendent, Business & Finance for determination of the responsible signing authority or for referral to the Board of Trustees.
18. All contracts, irrespective of contract value, shall be directed to the Associate Superintendent, Business & Finance if the:
  - 18.1 Contract presents a significant level of risk;
  - 18.2 Contract includes insurance, indemnity or waiver clauses;
  - 18.3 Contract could bring the Division under public scrutiny or affect its reputation;
  - 18.4 Contract involves controversial matters or potential conflict of interest; and/or
  - 18.5 Contract involves or is related to litigation or settlement claim, or include unusual legal provisions.
19. Every signing authority who executes a contract on behalf of the Division shall demonstrate an understanding that, in doing so, they are binding the Division and not just an individual site or department; therefore, prior to signing, a signing authority shall be satisfied and prepared to take responsibility for the following:
  - 19.1 That proper consultation and review has taken place;
  - 19.2 That the appropriate level of approval required by any applicable policy or procedure has been obtained;
  - 19.3 That in exercising their authority, they avoid conflict of interest and shall not directly or indirectly benefit from the transaction;
  - 19.4 That the Division is able to meet its obligations within the terms of the contract and that the other party is reasonably likely to meet its obligations;
  - 19.5 That the contract complies with legislation, collective agreements and the Division's policies and procedures.
  - 19.6 That the business and legal risks and liabilities presented by the contract have been addressed; and

19.7 That approval and signing of contracts is exercised in accordance with the approved Division budget or sources of funding and adequate funds are available.

20. Signing authorities, if unsure, are responsible to verify their ability to sign a document prior to doing so with the Associate Superintendent, Business & Finance.

Reference: Section 33,52,53,68,222,225 Education Act