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|  CAPILANO UNIVERSITY | | POLICY | |
| Policy No. | Officer Responsible | | |
| B.215 | Vice-President, Finance and Administration | | |
| Policy Name | | | |
| Spending and Signing Authority Policy | | | |
| Approved by | Replaces | Category | Next Review |
| Board | New Policy | | TBD - June 2024 |
| Date Issued | Date Revised | Related Policies, Reference | |
| March 30, 2021 | | <i>University Act Board Manual Section 13 Delegation of Authority B.215.1 Spending and Signing Authority Procedures B.213 Travel and Business Expenses Policy B.212 Honoraria and Gifts Policy B.209 Banking and Borrowing Policy B.501 Appointment of Personnel Policy B.506 Standards of Conduct B.201 Investment Policy</i> | |

1. PURPOSE

- 1.1 The Board of Governors is responsible for managing the business and affairs of the University as per the *University Act section 27*. *The purpose of this policy and related procedures is to:*
- a) establish a framework and overarching principles for the delegation of spending and signing authority within the University,
 - b) delegate spending and signing authority to the President,
 - c) authorize the President to delegate spending and signing authority to subordinate positions, and
 - d) ensure that all organizational positions delegated spending and signing authority understand their fiduciary responsibilities to the university.

2. DEFINITIONS

“contract” a legally enforceable agreement governing the provision of goods and/or services by one or more third parties in exchange for valuable consideration paid by the University (expenditure contract) or consideration received by the University (revenue contract or funding agreement)

“financial transaction” a transaction for the investment, commitment or expenditure/receipt of funds, forgiveness of debt, or provision of services by the University

“monetary limits” the maximum dollar value for spending authority assigned to an organizational position

“spending authority” the authority to approve financial transactions

“signing authority” the authority to sign legal documents such as purchase orders, contracts, and other non-monetary agreements on behalf of the University

“signing officer” an employee occupying an organizational position that has been delegated spending and/or signing authority

3. SCOPE

This policy applies to the administration and operation of Capilano University and the Capilano University Foundation (collectively referred to as the “University”).

4. POLICY STATEMENTS

Principles

4.1 Delegation of spending and signing authority is based upon the following principles:

- a) Spending and signing authority are delegated to organizational positions (and not to individuals) based on the type of financial transaction or document and its monetary value and subject to the completion of training by the incumbents of such organizational positions;
- b) Financial transactions must be approved by organizational positions to which spending authority has been delegated within both the responsibility of the organizational position and board approved operating and capital budget within the signing officers portfolio; and,
- c) Signing officers may not exercise spending or signing authority for which they have real, potential or perceived conflicts of interest as defined by the *B.506 Standards of Conduct Policy*. In cases of uncertainty, it should be assumed that a conflict of interest exists and another signing officer with spending or signing authority must approve the financial transaction or sign the document.

Delegation of spending and signing authority

4.2 The Board delegates signing authority for University documents to the President.

4.3 *Appendix 1 Board’s Delegation of Spending Authority Matrix* prescribes spending authority for financial transactions that is:

- a) retained by the Ministry as per the *University Act* and Ministry policies
- b) retained by the Board as per the *University Act* and university policies and
- c) delegated by the Board to the President within limits set out in section 4.4.

4.4 Board approval of the University’s annual operating and capital budget delegates spending authority subject to the requirements of this and any other relevant University policies. The operating and capital budgets are not interchangeable for the purposes of exercising spending authority.

- 4.5 The Board authorizes the President to delegate spending and signing authority to subordinate organizational positions in order to effectively manage the affairs of the University subject to the following requirements
- a) monetary limits that do not exceed the monetary limits delegated to the President by the Board,
 - b) delegation must incorporate sound internal controls that balance risk with escalating organizational levels for approval and, avoid real, potential or perceived conflicts of interest,
 - c) subject to any restrictions prescribed by the *University Act*, and
 - d) delegation processes, procedures and monetary limits must be documented in *B.215.1 Spending and Signing Authority Procedures*.

Monetary limits for financial transactions

- 4.6 For the purpose of applying the monetary limits in this policy and related procedures, the value of a financial transaction
- a) includes all applicable taxes that are not refundable, expressed in Canadian dollars,
 - b) for a contract, is its maximum dollar amount excluding any amounts arising from extensions in term permitted by the contract, that requires approval by the University, and
 - c) for a contract amendment that is required to either complete or modify the original deliverables, is the maximum dollar amount of the initial contract plus the contract amendment and all previous contract amendments.
- 4.7 Spending authority advances upward such that more senior organizational positions can authorize financial transactions that exceed the monetary limit assigned to subordinate organizational positions.
- 4.8 Financial transactions must not be subdivided to circumvent the monetary limits established by this policy and related procedures.

Absence of signing officers

- 4.9 To cover planned absences of the President, the Vice President Academic and Provost assumes role of acting President and is authorized to approve financial transactions for and on behalf of the President subject to restrictions set out in 4.11.
- 4.10 In the absence of both the President and Vice President Academic and Provost, the Vice President Finance and Administration is authorized to approve financial transactions for and on behalf of the President subject to restrictions set out in 4.11.
- 4.11 The President must ensure that the application of spending or signing authority by the Vice President Academic and Provost or Vice President Finance and Administration during the absence period is appropriate and reviewed as necessary.

Conflict of interest

- 4.12 Signing officer are not permitted to
- a) exercise spending or signing authority if they have a real, potential or perceived conflict of interest relating to a financial transaction as described in *B.506 Standards of Conduct Policy*. In cases of uncertainty, it should be assumed that a conflict exists, and
 - b) approve financial transactions or sign documents that might be considered to or provide a personal benefit to themselves or to a related person. This includes transactions or reimbursements relating to travel, business expenses, conference fees, educational expenses, membership fees and other items that could be used personally.
- 4.13 If a financial transaction gives rise to a conflict of interest or conveys a personal benefit to a signing officer as set out in section 4.12, the financial transaction must be authorized by a signing officer at a more senior organizational level.

Procedures for spending and signing authority

- 4.14 The Vice-President Finance and Administration or designate is responsible for administering the process required to implement spending and signing authorities.
- 4.15 The Vice-President, Finance and Administration or designate will implement procedures that
- a) establish the responsibilities and duties for signing officers,
 - b) ensure that signing officers are appropriately trained,
 - c) provide for temporary absence of signing officers,
 - d) ensure that signing officers are free of real, potential or perceived conflicts of interest, and
 - e) ensure that signing officers advise the Vice-President, Finance and Administration or designate of any financial transactions that may be of potential public interest regardless of value, including financial transactions that present unusual risks, might bring the activities of the University under public scrutiny and/or, those involving controversial matters.

Appendix 1 Board's Delegation of Spending Authority Matrix

Monetary limit represents the maximum dollar value for spending authority. 'Full' represents a monetary limit up to the authorized budget for the spending officer's organizational position

| # | Description of Financial Transaction | Delegation by Ministry & Board | | | |
|-------------|---|--------------------------------|--------------|--|------------------------------|
| | | Ministry | Board Quorum | Board Chair | Level 1 President and VP F&A |
| 1.00 | Spending authority retained by the Ministry | | | | |
| 1.01 | Mortgage, sale, transfer, disposal or lease not exceeding 99 years, of the University's land and lease for any time of the University's land to a college affiliated with the University (<i>University Act s.50</i>) | Full | | | |
| 1.02 | Borrowing money and executing related documents for the purpose of a) purchasing or otherwise acquiring land for use of the University, or b) erecting, repairing, adding to, furnishing or equipping any building or structure for the use of the University (<i>University Act s.58</i>) | Full | | | |
| 2.00 | Spending authority retained by the Board | | | | |
| 2.01 | Approval of annual and multi-year operating and capital budgets (<i>University Act s.27(2)(l), B.501 Appointment of Personnel Policy</i>) | | Full | | |
| 2.02 | Collective agreements and the non-union employee compensation framework including salary grid and annual increases for employees (<i>University Act s.27(2)(g), B.501 Appointment of Personnel Policy</i>) | | Full | | |
| 2.03 | New regular positions not in a board-approved operating budget (<i>B.501 Appointment of Personnel Policy s.1.3</i>) | | Full | | |
| 2.04 | Appointment and remuneration of the President and Vice-Presidents (<i>Board Manual s.20d, B.501 Appointment of Personnel Policy s.2.2</i>) | | Full | | |
| 2.05 | Setting tuition and mandatory fees (<i>University Act s.27(2)(m)</i>) | | Full | | |
| 2.06 | Appointment and remuneration of the external auditor unless the Auditor General is appointed in accordance with the <i>Auditor General Act (University Act s.33)</i> | | Full | | |
| 2.07 | Non-audit services provided by the University's external auditor other than routine tax and accounting services | | Full | | |
| 2.08 | Travel and business expenses incurred by the Board Governors. Expenses exceeding \$5k must be jointly approved by VP F&A or President and Board Quorum (in accordance with <i>B.213 Travel and Business Expenses Policy</i>) | | Full | | \$5k President or VP F&A |
| 2.09 | Travel and business expenses incurred by the President must be jointly approved by VP F&A and Board Chair (in accordance with <i>B.213 Travel and Business Expenses Policy</i>) | | | Full Joint approval Board Chair & VP F&A | |
| 2.10 | Acquisition of assets or the incurrence of liabilities other than in the name of the University | | Full | | |
| 3.00 | Spending authority for payments to/from the Ministry and other regulatory agencies | | | | |
| 3.01 | Payments required by Federal or Provincial acts or regulations (i.e. tax remittances) | | Full | | Full |
| 3.02 | Payments from/to the Ministry (e.g. funding agreements) | | Full | | Full |
| 4.00 | Spending authority for revenue and funding | | | | |
| 4.01 | Rental/lease of University real property | | Full | | \$3 million |
| 4.02 | Liquor, licensing and entertainment in accordance to with <i>OP.414 Alcohol Service and Consumption policy and related procedures</i> | | Full | | Full |
| 4.03 | Gifts and donations to the University and Foundation | | Full | | Full |
| 5.00 | Spending authority for operating expenses (excluding employee travel and business expenses covered in section 6) | | | | |
| 5.01 | Operating expenses subject to restrictions set out in sections 5.02 to 5.07 and in accordance with <i>E.205 Purchasing/Procurement – Donations/Vendors Partnerships – Contracts – Disposals policy and ARM1120 Purchasing Card procedures as prescribed by the Corporate Services department</i> | | Full | | \$2 million |
| 5.02 | Operating expenses for Facilities, Library and IT department subject to restrictions set out in 5.03 to 5.07 and in accordance with <i>E.205 Purchasing/Procurement – Donations/Vendors Partnerships – Contracts – Disposals policy and ARM1120 Purchasing Card procedures as prescribed by the Corporate Services department</i> | | Full | | \$5 million |

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|-------------|--|--------------------------------|--------------|-------------|------------------------------|
| | | Ministry | Board Quorum | Board Chair | Level 1 President and VP F&A |
| 5.03 | Legal expenses to initiate or defend actions by/against the University or Foundation excluding routine legal services included in row 5.01 | | Full | | \$100k |
| 5.04 | Honoraria payments and gifts purchased in accordance with <i>B.212 Honoraria and Gifts Policy and Procedure</i> | | Full | | Full |
| 5.05 | Discretionary sponsorship and grants paid to third parties excluding students (Policy required) | | Full | | \$50k |
| 5.06 | Meeting and hosting expenses in accordance with <i>B.XXX Meeting and Hosting Expenses Policy (policy in development)</i> | | Full | | \$25k |
| 5.07 | Financial transactions that a) are not in the approved operating budget, b) are funded by cost recovery activities and forecasted surplus, and c) advance the priorities of the University | | Full | | \$250K |
| 6.00 | Spending authority for employee-related travel and business expenses | | | | |
| 6.01 | Travel and business expenses incurred by employees other than Board Governors and the President, in accordance with <i>B.213 Travel and Business Expenses Policy</i> | | Full | | \$100k |
| 6.02 | Professional membership fees and professional development costs in accordance with <i>B.213 Travel and Business Expenses Policy</i> | | Full | | \$25k |
| 7.00 | Spending authority for capital assets | | | | |
| 7.01 | Acquisition of and/or improvements to facilities capital assets (e.g. buildings, furniture and equipment other than IT assets) | | Full | | \$5 million |
| 7.02 | Acquisition of information technology assets | | Full | | \$5 million |
| 7.03 | Acquisition of program specific assets not included in 6.01 and 6.02 (e.g. film equipment) | | Full | | \$2 million |
| 8.00 | Spending authority for capital asset disposals, investments and receivables | | | | |
| 8.01 | Disposal or write-off of capital assets excluding land (net book value) | | Full | | \$250k |
| 8.02 | Disposal or write-off of receivables | | Full | | \$250k |
| 8.03 | Investing money in accordance with <i>B.201 Investment Policy (University Act s.57)</i> | | Full | | Full |
| 9.00 | Spending authority for human resources expenses | | | | |
| 9.01 | Payroll expenses and payments including employee salary, statutory and union deductions and benefits plans in accordance with board-approved collective agreements and the non-union employee compensation framework | | Full | | Full |
| 9.02 | Severance payments in accordance with Human Resource Policies | | Full | | \$100k |
| 9.03 | Discretionary (non-medical) leave with pay in accordance with Human Resource Policies | | Full | | \$100k |
| 9.04 | Approval of employee time sheets for hours worked | | Full | | Full |