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| Title                 | <b>Signing and Spending Authority</b>                 |
| Policy No.            | B.1.10  |
| Approval Body         | Board of Governors                                    |
| Policy Sponsor        | Executive Director, Finance & Chief Financial Officer |
| Last Revised/Replaces | September 26, 2018                                    |
| Effective Date        | September 30, 2020                                    |

### **CONTEXT AND PURPOSE**

Vancouver Community College (VCC; the College) is a publicly funded institution and is accountable to the Province and members of the Public for the stewardship of these funds. This policy and its related procedures outline the comprehensive assignment of signing and spending authority to specific positions within the College.

### **SCOPE AND LIMITS**

This policy and its related procedures applies to all legal and financial documents of the College that require authorizing signature(s), including but not limited to contracts, agreements, applications for funding and donations.

This policy does not apply to Revenue Contracts.

### **STATEMENT OF POLICY PRINCIPLES**

1. The College is committed to the responsible stewardship of its funds by conducting all business affairs in a consistent and cost effective manner.
2. The College is responsible for maintaining a comprehensive system of controls over all legal and financial commitments to ensure ongoing operational health of the institution.
3. Employees of the College are not authorized to sign agreements unless they have been granted that authority pursuant to this policy, or a resolution of the Board of Governors or such authority has been delegated.
4. The College will maintain a Signing and Spending Authorization Matrix (Appendix A) which will establish signing authority to appropriate positions within the College for various types of documents and transactions, reflecting the value of the transactions as well as the expertise of the signing authorities.
5. The College will document the responsibilities of the signing authorities with respect to such issues as legal and risk management review, insurance, and execution of documents, records management, delegation and spending authority and provide training to ensure that signing authorities understand their responsibilities.
6. The College will establish and document the circumstances under which Signing Officers may delegate their authority to other positions.

7. Spending Authority is granted in relation to a position's organizational responsibility or duties, and can be restricted as to financial limit and/or the nature of goods and service purchased.
8. A Spending Authority may only approve expenditures over which they have been delegated authority.
9. An employee with Spending Authority is responsible for understanding the Purchasing Policy (B.4.1) and ensuring goods and services are procured in accordance with this policy.

## **DEFINITIONS**

Letter of Agreement (LOA): A written list of goods, services, or space to be provided at the agreed-to prices, terms, and time. It becomes a binding contract when signed by the associated parties.

Memorandum of Agreement (MOA): A legal document that establishes the *ground rules* of a positive cooperative effort for the parties wishing to work together on a project.

Memorandum of Understanding (MOU): An agreement between two or more parties outlined in a formal document. It is used as a statement of intent of what each party will be responsible for without creating any legal obligations. It clarifies the relationship and can, but does not always, create a path to move forward with a contract.

Procurement Authority: As established by the Purchasing Policy (B.4.1), the Director of Procurement is responsible to ensure that goods and services are purchased in compliance with the Purchasing Policy as established and approved by the Board of Governors.

Revenue Contract: A binding agreement between the College and another party that defines the terms under which revenue will be received.

Signing Authority: An individual who has been duly appointed with the authority to commit the College to any binding agreement. These include but are not limited to contracts, memorandums of understanding, licenses, letters of agreement, letters of intent and affiliation agreements.

Signing Officer: A Board approved employee designated to sign, make, draw, accept and deliver cheques, promissory notes, bills of exchange, orders for payment of money, agreements and instructions necessary for the operation of the College's bank accounts.

Spending Authority: An individual who has been duly appointed to authorize expenditures by virtue of the approved operating budget.

## **RELATED LEGISLATION & POLICIES**

### Legislation

B.C. College and Institute Act

Policies

B.1.5 Banking

B.1.6 Short Term Borrowing

B.1.7 Financial Responsibility and Accountability

B.4.1 Purchasing

C.3.10 Educational Affiliations

**RELATED PROCEDURES**

Refer to B.1.10 Signing and Spending Authority Procedures.