

SUBJECT: SIGNING AUTHORITY FOR THE EXPENDITURE OF UNIVERSITY FUNDS**1. Purpose**

The purpose of this policy is to promote the University of Northern British Columbia's accountability for its use of public funds in the acquisition of goods and services by defining the level of signing authority required to authorize the expenditure of University funds.

2. Scope

This policy should be applied in conjunction with the policy, "Purchasing". It applies to all University faculty and staff and includes all purchases, leases and rentals using operating, capital and restricted funds from trusts and contracts under the administration of the University and its affiliated entities, as well as for strategic alliances or preferred supplier agreements. This policy will not apply to purchases of goods or services through research grant monies. In these cases, the Principal Investigator or designate has signing authority in accordance with University policy and procedures and in compliance with granting agency/donor terms and conditions.

3. Authority

The Purchasing, Contracts and Risk Management Department has been delegated authority by the Board of Governors to commit the University to binding agreements such as purchase orders, equipment leases, and contracts from all sources of University funds. In addition, the procurement of goods and services has been centralized in this Department. It will thus be the responsibility of the Director of Purchasing, Contracts and Risk Management, who reports to the Vice-President (Administration and Finance), to ensure that this policy and these procedures are carried out.

4. Definitions

Strategic Alliances or preferred supplier agreements (also called Strategic Partnerships, Marketing Partnerships or Marketing Alliances) are multi-year contractual arrangements between the University and outside firms in which the firm agrees to provide value-added support to the University in return for preferred status within the University's markets. This value-added support can be in the form of cash, goods or services. These types of agreements are mutually beneficial to both the University and the outside firm. By their very nature, strategic alliances limit certain purchasing choices at the University and on campus for a specified term, and thus require special consideration in terms of signing authority.

5. Procedures

It is the policy of the University of Northern British Columbia to acquire goods at the most effective net cost while meeting the required levels of quality and service. Following the University Purchasing policy and according to Provincial and Federal regulatory obligations, this will be done through a competitive bid process using a fair and open process when calling for, receiving, and evaluating quotations, proposals and tenders. Purchasing and supply management functions at the University are centralized within the Purchasing Department which is delegated the responsibility and authority for binding the University to contractual agreements and acquiring goods, equipment, and services. With the exception of petty cash and Purchasing Card transactions, and emergency purchases, the purchase of goods and/or services shall be initiated by a properly completed and approved Purchase Requisition,

and/or contract requisitions with the appropriate purchasing signatures, and in conjunction with the following procedural guidelines.

As authority is conferred upon budget unit heads to make expenditures required for University operations in accordance with Board of Governors' approved University budget and with University policy and procedures, the level of signing authority required to authorize commitments for the purchase of goods and services shall depend on the dollar value and length of term of such contracts and agreements as outlined below.

a) Department Chairs and Managers

Department Chairs, designated budget holders and Managers will have signing authority for the total approved operating, capital and ancillary funds for their respective departments up to a limit of \$9,999.99 for a single transaction. Exceptions to this are:

- all requisitions for capital purchases \$1000 or higher which must be counter-signed by the appropriate Dean or Director,
- all cheque requisitions for personal payment to a budget authority which must be approved by the appropriate Supervisor.

b) Deans and Directors

Deans and Directors have signing authority for the total approved operating, capital and ancillary funds for their respective Colleges or Departments for a single transaction valued up to \$49,999.99, with the exception of requisitions for payment to Deans and Directors which must be approved by the appropriate Vice-President.

c) Vice-Presidents

The Vice-Presidents may approve a single transaction valued up to \$99,999.99 within their total operating, capital and ancillary funds for their specific area of responsibilities with the exception of all requisitions for payment to Vice-Presidents which must be approved by the President.

d) President

As the President is delegated authority by the Board of Governors to administer the University's resources within the limits of Board-approved annual operating, capital and ancillary funds, the President has signing authority over the total approved operating, capital and ancillary funds of the University valued up to \$299,999.99 for a single transaction. Exceptions to this are requisitions for payment to the President which must be counter-signed by the Vice-President (Administration and Finance).

e) Board of Governors

The Board of Governors has ultimate signing authority and must approve all expenditures valued at \$300,000 or higher. In some emergency circumstances where approval by the Board as a whole cannot be obtained quickly, Board approval may be sought through the Finance Committee of the Board. In cases where the Board of Governors approves financial commitments, signing authority will be delegated to two designated senior administrators (i.e., President and Vice-Presidents) to certify proper approval. Requisitions for payment to Board members must be approved by the President or designate.

Notwithstanding the delegation of signing authority as outlined above, some contracts and agreements are more sensitive in nature and require Board of Governors authorization prior to approval. These include:

- a) any contract or obligation that, in the opinion of the President or responsible Vice-President, should be approved by the Board;
- b) any strategic alliance or preferred supplier agreement which contractually binds the University for two or more years;
- c) any lease or other agreement for the use of real property that exceeds three years;
- d) any contract or agreement that the Board, by resolution, requests be brought to the Board for approval;
- e) any contract or agreement to borrow money;
- f) collective bargaining agreements;

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- g) any document releasing a claim or obligation to the University where the amount involved exceeds \$10,000 in total;
 - h) any major relationship agreements with other institutions involving total resources that exceed \$100,000.

The following items should be reported to the Board of Governors following approval:

- a) any contract or agreement, including the purchase of sale of goods or services, where the total obligation of the University or the total benefit to the University is over \$25,000;
- b) any contract or obligation that, in the opinion of the President or responsible Vice-President, should be reported to the Board;
- c) any contract or obligation that the Board, by resolution, requests be brought to the Board for information;
- d) any research or special project contract or agreement where the total value exceeds \$100,000;
- e) any relationship agreements with other institutions involving total resources of up to \$100,000.

In addition, the Board of Governors, in its capacity as the supreme governing body at the University has the authority to review all other contracts and agreements. These should be collected in a registry and presented to the Board for review twice a year.

6 Delegation of Signing Authority

In special circumstances (and for a limited time period only), there may be deviations to this policy as signing authority may be delegated to others within departments. The delegation of signing authority to others must be done in writing (with a copy to the Purchasing, Contracts and Risk Management Department), clearly specifying the extent of authority and any restrictions placed thereon. In the absence of any signing authority, the immediate supervisor will assume signing responsibility. However, delegation of signing authority does not alter the responsibility for expenditures.