



Executing Contracts and Agreements and Authorizing Transactions	
Policy: Signing Authority and Contractual Commitments	
Category: Administrative	Approval Date: December 14, 2020
Procedure Owner: VP College Services	Effective Date: January 1, 2021
Procedure Administrator: Financial Services and Business Manager	Review Period: 3 Years
Associated Documents: Signing Authority Compliance Form Delegating of Signing Authority Procedure Electronic and Digital Signatures Procedure	

PURPOSE

The purpose of this Procedure is to outline

- Types of contracts and other transactions and corresponding authority to approve, and
- Steps in review and contract execution.

PROCEDURE

Depending on a type, a transaction is approved by either a signing or spending authority.

- Signing authorities can sign a document that creates an obligation or undertaking on behalf of the College, such as contract or agreement.
- Spending authorities approve expenditures.

Contract Signing and Execution (Signing Authorities)

1. A College Signing Authority should only sign a contract or agreement if:
 - A final version of the contract has been reviewed by Financial Services and/or College's legal counsel (where necessary and at Financial Services' discretion),
 - The signing officer has signing authority at the level appropriate to the total value of the transaction and/or contract type, and
 - The signing officer authorizing a transaction has authority on the budget and/or College area affected by that transaction.

2. The person identified as the contract originator for the College is the primary contact person for the other party to the contract and is not necessarily the person that has the authority to sign the contract.

Special Circumstances

1. A second signature is required on the following transactions:
 - Monetary banking transactions.
 - Lease and rental agreements that persist for a period greater than one month are reviewed and approved by the Chief Financial Officer.
 - Transactions requiring Ministerial approval.
 - Fee for Service Contracts, as per the relevant Policy and Procedure currently in force.
 - Disposal of capital assets, as per the relevant Policy and Procedure currently in force.
 - Partnership agreements, as per the relevant Policy and Procedure currently in force.
 - Any transaction that has potential strategic implications.
2. Approval of the Board of Governors is required prior to signing Contracts that:
 - Deal with the purchase, sale, mortgage or lease of land,
 - Deal with the borrowing of funds,
 - The President determines it to be appropriate for the Board to approve, or
 - Where the Board Policy dictates.
3. Transactions with **unspecified monetary value** that create a commitment on behalf of the College for a period greater than three years are approved by the respective Senior Leader.
4. The spending authority financial limit applies to the approval and execution of **revenue contracts**.
5. Contract amendments or changes to the original cost are approved by the appropriate authority based on the incremental value of increase or decrease.
6. Contract extensions require review and approval of the appropriate signing authority.

Mandatory Review

1. Financial Services department is involved from the inception of an idea through to the execution of contracts in order to support the initiating department in the decision making process through:
 - Business case preparation,
 - Financial projection and analysis,
 - Administration of a competitive purchasing process where appropriate,
 - Securing funding as necessary,
 - Drafting a contract document or reviewing a draft agreement,

- Risk analysis, and
 - All financial reporting. The College only uses RDC-approved terms and conditions with preference given to RDC-prepared Contract terms and conditions.
2. Where necessary, Financial Services arranges for a legal review.
 3. Financial Services must be consulted on any subsequent revisions of original Contracts.
 4. Appropriate time frames need to be incorporated into planning processes leading up to the Contract signing and Financial Services contacted prior to making any commitments on behalf of the College.
 5. The original signed agreement and related documents are kept on file in Financial Services.

Transaction Approval (Spending Authority)

1. Mandatory Expenses
 - Mandatory expenses, such as municipal taxes, utilities, insurance and mortgage payments are approved by the Vice President College Services or designate.
 - Payroll expenses and government remittances are approved by the Vice President Corporate or designate.
 - Student refunds are reviewed and approved by an authorized position in Financial Services.
2. Discretionary Expenses
 - Discretionary expenses are approved by spending authorities responsible for the budget from which they are funded.
 - These expenses, as a general rule, are initiated on a purchase requisition/purchase order per the current Purchasing Policy.
 - Any amendment/change orders that involve an additional expenditure with respect to consumables are typically approved by the Spending Authority responsible for the affected budget, based on the value of the change.
3. Capital Expenditures
 - Capital requests are reviewed and budget approved upon request.
 - Each pre-approved purchase is subsequently authorized by the appropriate Spending Authority at the time goods and services are ordered.
4. Professional Development (PD) Expenses
 - Professional development expenses are approved by the authority responsible for the budget and in accordance with the collective agreement in force at the time of signing.
 - Exempt PD expenses are approved in accordance with the Terms and Conditions of Employment for Exempt Employees.
 - Individual professional membership is approved by one's supervisor with Spending Authority.
 - Institutional memberships are approved by the appropriate Spending Authority.
 - Subscriptions, even though they may be in an individual's and not department's name, are deemed purchases of goods and are treated as discretionary expenses.
5. Travel, Hosting and Business Expenses

- All travel, hosting and business expense where a claimant is a participant or attendee at the event, regardless of the method of payment (purchasing card, purchase order or expense claim) are approved by that claimant's direct supervisor with Spending Authority.
 - Expenses related to conducting working sessions (ordinarily conducted on campus) are approved by the Spending Authority responsible for the budget charged for the expense.
6. Employee Reimbursements and Purchasing Card Transactions
- An employee responsible for department purchasing may be issued a purchasing card, even though the position this employee fills does not hold a Spending or Signing Authority.
 - Purchasing card statement is approved by the employee's supervisor when the statement includes expenses related to travel or hosting as defined within the related policies. If the report contains only purchases of goods, it can be approved by the appropriate Spending Authority, other than a cardholder.
 - Purchasing card expenses are reviewed and approved on an individual basis and the Spending Authority limit applies to each individual transaction and not the total for the period.
 - Purchasing card transactions are reviewed and approved online through the card issuer's proprietary payment management system *US Bank Access Online*.
 - Employee reimbursements are always approved by the claimant's supervisor or the authority designated to sign on PD expenses in case of a PD expense, regardless of the product purchased (goods, services, and travel and business expenses).
7. Internal Chargebacks
- Advanced approval is not required on ordering goods or services from another College department or service and internal vendors.
 - Charges are processed by Financial Services and reviewed by the Signing Authority responsible for the organizational unit's budget after the purchase is conducted and recorded in the accounting system.

Business Contracts Not Governed by This Procedure

1. Research grants applications and research contracts
 - Research grants application or agreements with a government or recognized research funding agency program, are signed by the authorized signers in accordance with the *Research Grant Management Policy*.
 - Research contracts are approved in accordance with the *Contracts for Research and Innovation Policy* by the authorized signers within their financial limits.
2. Donor agreements
 - Pledge forms, letters of intent, gift agreements and similar written expressions of intent by the donor are excluded from the definition of Contract within this Procedure.
 - Donor agreements are covered by the *Donations: Gift Acceptance Policy* currently in force and the standard procedure for contract execution, as described within this Policy, does not apply.
3. Corporate Training Contracts

- Corporate training contracts as defined within the Non-Credit Programming Policy do not require a prior review by Financial Services, provided that they are using RDC approved terms and conditions.
- Continuing Education managers are authorized to execute these contracts, within their financial limit.

DEFINITIONS

Contract: any written or verbal arrangement (agreement, contract, letter of intent, memorandum of understanding or similar) that creates a legally binding commitment for the College.

Discretionary expenses: expenses for which there is an option as to when and if to incur them and for which there must be a purchasing method and approval by the College signing officer.

Digital signature: a guarantee that an electronic document is authentic; verification that a document has been seen and authorized by the signer with private signing key.

Electronic signature: a symbol or process used as an expression of one's agreement to the terms of a particular document. Could be an image of a hand-written signature or any kind of electronic and authenticity stamp that identifies or can be used to identify who and what was signed.

Senior Leader: a member of the College Senior Administration team.

Signing authority: legal power delegated by the Board through the President of the College to organizational positions appointing them as agents of the College to perform transactions and execute contracts.

Spending authority: a power delegated to select College positions to authorize expenditures up to a specific amount.

Signing Officer: A College representative with power to sign an agreement or authorize a transaction.