

FINANCIAL SIGNING AUTHORITY POLICY

FINANCIAL SIGNING AUTHORITY			
Effective Date	December 5, 2023	Policy Type	Administrative
Responsibility	Vice President Corporate Services (policy owner) Director of Financial Services (policy manager)	Related Policies	Employee Code of Conduct Contract Management Procurement Policy Travel and Related Expenses Policy Hospitality and Community Stewardship Use of Credit Procurement Card Policy Safe Disclosure Policy Conflict of Interest Policy Records Management Policy
Approval Authority	Executive Council	Review Schedule	Every Year

1. **Policy Statement:** Northwestern Polytechnic (NWP) is committed to exacting standards of ethics, conduct and fiduciary responsibility. NWP will establish financial signing authority levels which reflect the authority assigned to Budget Owners to make expenditures within the amount and scope of their budget. The signing authorities provide a consistent framework that establishes and identifies the level of approval required based upon the assessed risk of the financial transaction.
2. **Scope:** This policy applies to all NWP employees and the Board of Governors Chairperson when approving invoices, requisitions, and transfers (both revenue and expense) for NWP and is applied in conjunction with other financial policies and procedures of the Polytechnic.
3. **Reason for Policy:** As a publicly funded institution, NWP activities must be conducted in a manner that provides sound financial accountability and control of public funds entrusted to the Polytechnic in accordance with internal policies, and federal and provincial laws and regulations.
4. **Definitions:**
 - 4.1 **Approver:** An individual authorized to approve a purchase/ expense reimbursement for the total spend amount (normally one level up unless otherwise delegated).

- 4.2 Account Category:** Sequence of numerical codes which classify a financial transaction into organizational categories. NWP uses Account Categories: General Ledger Account, Cost Centre, Function Code, Position Code, and Resource Code. Please contact your assigned Senior Business Advisor for support in correctly coding transactions.
- 4.3 Approved Budget:** The annual operating and capital budget as approved by NWP's Board of Governors. Budget Owners have signing authority limited by the current year Approved Budget for those Cost Centres assigned to their position.
- 4.4 Budget Owner:** An employee who has been assigned a Cost Centre budget in the financial system and therefore has signing authority to make expenditures within the scope of their budget. Budget Owners must hold a position of Manager, Associate Dean, Dean, Director, or Vice-President.
- 4.5 Claimant:** An employee initiating a travel or expense reimbursement.
- 4.6 Contractual Obligation:** A payment or other action that parties agree to or become responsible for when they sign a contract. Contractual Obligations can arise from many sources including purchasing an item with ongoing maintenance or licensing requirements.
- 4.7 Cost Centre:** An NWP Account Category which represents an organizational segment of the Polytechnic.
- 4.8 Documentation:** A recognized document which supports the existence of a financial transaction. Examples of accounting Documentation include cheques, invoices, receipts, credit memos, purchase orders, packing slips and signed contracts.
- 4.9 Financial Services:** A department within NWP responsible for the management of the Polytechnic's financial records and maintenance of the financial internal controls.
- 4.10 IRAP:** A financial model used to ensure appropriate internal controls are in place over organizational expenditures. IRAP stands for Initiate, Review, Approve and Process.
- 4.11 Multi-Unit Expense:** A transaction which obligates or charges expenses to more than one Cost Centre within NWP.
- 4.12 Multi-Year Expense:** A transaction which creates a Contractual Obligation across fiscal and budget approval years.
- 4.13 One-Over-One Approver:** The direct supervisor of the Claimant as identified in the organizational chart. The One-Over-One Approver for the President is the Board Chair.
- 4.14 Polytechnic:** Northwestern Polytechnic, a post-secondary institution operating in the Province of Alberta.
- 4.15 Secure Digital Certificate:** A secure electronic signature where:

- The electronic signature is unique to the person signing,
- The signature must be created and under the sole control of the person signing,
- Created with specific technology or processes which have the capability to identify the person, and
- The signature is linked with an electronic document in a way which allows the examiner to determine whether the e-document has been changed since the signature was attached to the document.

5 Guiding Principles:

5.1 NWP follows the IRAP (Initiate, Review, Approve, Process) model for transaction processing.

- Initiate: involves the creation of a transaction request such as a travel or expense claim, a requisition, or a payment request. Any current NWP employee can initiate a transaction request.
- Review: For most NWP financial transactions, the Review and Approve stages are combined. A separate reviewer and approver are only required under Sections 7 through 9 of this policy or if the transaction exceeds \$75,000. The Reviewer is responsible to ensure the transaction is:
 - appropriate, fair and in accordance with NWP policies, procedures and, if applicable, meets external grant stipulations,
 - reasonable and necessary for NWP business, program or administrative goals,
 - within the Approved Budget for the Cost Centre,
 - the appropriate account code is identified, and
 - is supported by appropriate Documentation.
- Approval: The transaction must be approved before it can be processed. Approval is performed by the Budget Owner unless additional approvals are required as described in sections 7 through 9 below or the transaction exceeds \$25,000 (\$75,000 for the Director, Facilities).

5.1.1 The following criteria must be met to be considered a valid approval:

- The individual providing the approval is identifiable,
- The approval can only be created or performed by one person with the proper credentials and cannot be duplicated by anyone else,
- The date of the approval is clear, and
- It must be clear what is being approved.

5.1..2 Appendix A: The Signing Authority Decision Tree provides further guidance on the approval required for specific transactions and forms an integral part of this policy.

5.2 Process: Financial Services is the department responsible for processing all financial transactions. Financial Services will proceed with processing only upon receiving approved transaction requests which comply with NWP policy and procedures, including the Financial Signing Authority Policy. If Financial Services identifies concerns with a transaction, it will be returned to the Budget Owner or their direct supervisor for review and correction.

6 One-Over-One Approvals:

6.1 Approval by the Budget Owner's One-Over-One Approver is required where the Budget Owner is also the Claimant, such as approving a reimbursement to oneself or the expense conveys, or can be perceived to convey, a personal benefit to the Budget Owner. The One-Over-One Approval provides assurance that the expenditure is reasonable and required for NWP operations.

6.2 Typical financial transactions which create a conflict of interest and require One-Over-One Approval include, but are not limited to:

- Travel or Expense Reimbursements
- P-card transactions
- Hospitality expenses
- Honorariums

6.3 The Director of Financial Services or VP, Corporate Services reserves the right to request a One-Over-One Approval on expenditures not included in the above listing if an actual or perceived personal benefit may be bestowed upon the approver.

7 Multi-Unit or Multi-Year Transaction Approvals:

7.1 Transactions which create a Contractual Obligation beyond the current fiscal year cannot be both reviewed and approved by the Budget Owner. Multi-Year transactions are approved by the Departmental Vice President.

7.2 Transactions which are allocated to multiple Cost Centres must be approved by the:

- Divisional Vice President overseeing the affected Cost Centres.
- Applicable Vice Presidents if the affected Cost Centres span beyond a single division.

7.3 Cross-divisional transactions which the Polytechnic does not have the authority to avoid, such as tax remittances, payroll deposits or payments under collective agreements are approved by the Director, Financial Services.

8 Capital and Research Project Approvals:

- 8.1 Capital approvals are subject to approval by the VP, Corporate Services through the Capital Budget listing.
- 8.2 For capital transactions, the Budget Owner is deemed to be the Manager, Capital less than \$25,000; Director, Facilities for items less than \$75,000; and the Vice President, Corporate Services over \$75,000.
- 8.3 For certain research and trust account transactions, approval must come from the principal researcher or trust holder to meet the stipulations of external funding agencies. Identification of principal researchers can be made in writing to Financial Services.

9 Delegation:

- 9.1 No person is authorized to make any decisions or sign any document if it creates an obligation or undertaking on behalf of NWP unless the person has the delegated authority.
- 9.2 Individuals granted financial signing authority under this policy may temporarily delegate their responsibilities to another individual in an acting role for periods of absence from the Polytechnic.
- 9.3 A position that is supervisory to a position that has been delegated signing authority under this policy also has the authority to sign.

10 Digital Signatures and Electronic Approvals:

- 10.1 NWP supports the use of electronic signatures and other forms of electronic approvals provided the electronic approval follows the guidelines in Section 4.14 and electronic signatures are in the form of a Secure Digital Certificate.
- 10.2 Cheque signing authority is limited to the President and Chair of the Board of Directors. Cheques require dual signatures to be valid.

- 11 This policy falls under the preview of the Vice President, Corporate Services. The Vice President, Corporate Services is responsible for the interpretation and application of this policy.

12 Exceptions to the Policy:

- 12.1 Exceptions to this policy must be documented and approved by the Vice-President, Corporate Services. Documentation on policy exceptions must contain:
 - A description of the nature of the exception, including the date the exception expires;
 - Justification for the exception; and

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- An analysis of the risks created by the exception and alternate steps taken to mitigate the risk.

12.2 Policy Exceptions will be tracked and stored within the Financial Services department according to the Records Management Policy.

13 Appendices:

13.1 Appendix A – The Signing Authority Decision Tree

14 Revision History:

14.1 This policy was created July 7, 2003

14.2 Updated January 23, 2018

14.3 Updated May 24, 2022

14.4 Updated June 22, 2023

Signing Authority Decision Tree

		Purchase	Budget	Type	Value	
Overarching Policies: (Employee Code of Conduct Policy) (Fraud Policy)		Approval	Procurement Method	Payment Method	Contract Required	Effective Policy
Is this to purchase something?						
Yes	Is the purchase covered in your department's current budget?					
Yes	Does the purchase obligate NWP to make future payments (i.e. multi-year contracts or licensing requirements)?					
Yes	Is this to hire a full or part time permanent employee?					
Yes						Recruitment & Selection Policy
No	What is the Value of the purchase? (Includes all future payments over the life of the agreement, excludes GST)					
	Up to \$25k	VP- CS	Direct Award	P.O.	Yes	Financial Signing Authority Procurement Contract Management
	\$25k to \$75k	VP- CS	3 Quotes	P.O.	Yes	Financial Signing Authority Procurement Contract Management Financial Signing Authority Procurement Contract Management
	Over \$75k	VP- CS	Competitive	P.O.	Yes	Financial Signing Authority Procurement Contract Management
No	What type of purchase are you making?					
	Hospitality Expenses for an NWP event					
	Is the event expected to cost over \$2,000?					
	Yes	Dept VP	Direct Award	P.O.	No	Hospitality
	No					
		Budget Owner	Direct Award	P-Card P.O. Invoice (under \$1k)	No	Hospitality Use of Credit Card
	A gift on behalf of NWP					
	Expenses which confer a personal benefit to me (Travel Expenses, Hospitality Expenses for a staff function, Reimbursement for NWP expenses paid personally, Professional development, p-card transactions)					
	A Capital Asset					
	Is this a purchase of Land?					
	Yes	Dept VP	Direct Award	P-Card P.O.	No	Hospitality Use of Credit Card
	No					
	What is the Value of the purchase? (includes all costs to ship, install or construct the asset, excludes GST)					
	Up to \$25k	Capital Mgr.	Direct Award	P.O.	No	Financial Signing Authority Procurement Asset Management
	\$25k to \$75k					
		Director, Facilities	3 Quotes Direct Award for Construction	P.O.	No +	Financial Signing Authority Procurement Contract Asset Management
	Over \$75k (non-construction)	VP - CS	Competitive	P.O.	Yes	Financial Signing Authority Procurement Contract Asset Management
	Over \$75k (construction)	VP - CS	3 Quotes	P.O.	Yes	Financial Signing Authority Procurement Contract Asset Management
	Over \$200k	VP - CS	Competitive	P.O.	Yes	Financial Signing Authority Procurement Contract Asset Management
	Renting or Leasing a building or piece of equipment Other type of good or service	Director, Finance VP - CS	Varies based upon commuted value	P.O.	Yes	Financial Signing Authority Procurement Contract
	What is the Value of the purchase? (includes all costs to ship or receive the product, excludes GST)					
	Up to \$1k	Budget Owner Designate	Direct Award	P-Card Invoice One-Time Service Provider Indigenous Gift (up to \$500)	No	Financial Signing Authority Procurement Use of Credit Card
	\$1k to \$25k	Budget Owner	Direct Award	One-Time Service Provider	No	Financial Signing Authority Procurement
	\$25k to \$75k	Director, Facilities	3 Quotes	P.O.	No +	Financial Signing Authority Procurement
	\$25k to \$75k	Dept VP	3 Quotes	P.O.	No +	Financial Signing Authority Procurement
	Over \$75k	Dept VP	Competitive	P.O.	Yes	Financial Signing Authority Procurement Contract
No	Is the purchase covered within multiple division's budgets?					
Yes	Is the expenses required under external legislation? (i.e. payroll expenses, debt payments, GST remittances)					
Yes		Director, Finance	Direct Award	Cheque requisition	No	Financial Signing Authority
No	What is the Value of the purchase? (includes all costs to ship or receive the product, excludes GST)					
	Up to \$25k	Dept VP(s)	Direct Award	P.O.	No	Financial Signing Authority Procurement
	\$25k to \$75k	Dept VP(s)	3 Quotes	P.O.	No +	Financial Signing Authority Procurement
	Over \$75k	Dept VP(s)	Competitive	P.O.	Yes	Financial Signing Authority
No		Evidence of approval to exceed departmental budget or use contingency funding required by the VP, Corporate Services				

No		Is this an agreement to obtain a grant or enter into a revenue-generating agreement?			
Yes					
	Grant Agreement				Financial Signing Authority
	Revenue Generating Agreement	* Signing authority follows the requirements set out by the granting authority		Yes	Contract Research Grants
	Up to \$2k			No	Financial Signing Authority
	Over \$2k			Yes	Contract
No	Long-term Borrowing			Yes	Financial Signing Authority
	Endowment or other Donation agreements			Yes	Contract
	Practicums and Clinical Placement Contracts			Yes	Contract
	Other (i.e. memorandums of understanding)			Yes	Financial Signing Authority
	Refund or Credit on Account			No	Contract
					Financial Signing Authority

+ Contract document not required; however, written documentation of quotes must be entered into the contract management system