
TITLE: SIGNING AUTHORITY AND CONTRACT EXECUTION POLICY

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POLICY STATEMENT:

The Board of Governors of Red Deer College (“the Board”) delegates its signing authority to the President of the College and authorizes the President to further delegate her/his signing authority to designated officers for the purpose of the ordinary course of business of the College.

PURPOSE:

This Policy is designed to outline

- Levels and types of signing authorities,
- Responsibilities for those individuals who have signing authority,
- Conditions under which signing authority may be delegated,
- Distinction between signing and spending authority, and
- Process for contract execution.

SCOPE:

This Policy and the procedures associated with it apply to the Board of Governors, the President and all employees and officers of Red Deer College (“the College”).

PRINCIPLES:

1. Red Deer College is committed to protecting the legal and financial interests and reputation of the institution.
2. All transactions authorized on behalf of the Board are in accordance with the College’s policies and in adherence with Laws of Canada and the Province of Alberta, and all legislative guidelines.

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.

Electronic signature: an electronic expression of one's agreement to the terms of a particular document. Could be a scan of a real hand-written signature or any kind of electronic and authenticity stamp that identifies or can be used to identify the person.

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.

Total value: value of a contract or agreement over its term, not taking into account optional renewals.

GUIDELINES:

1. Delegation of Authority and Residual Power

- 1.1. Signing authority is delegated in order to enable officers of the College to execute contracts, agreements and other documents which may be binding upon the College.
- 1.2. Spending authority levels are established with specific financial limits for signing invoices, requisitions, transfers and other financial disbursements, to ensure that the College funds are dispersed in a manner reflecting sound financial controls.
- 1.3. Signing authority is delegated to positions, not individual persons. Only designated College positions and the Chair of the Board may be authorized as signing officers.
- 1.4. The President, Chief Financial Officer and Director of Financial Services are authorized to execute any financial college transaction when the designated signing officer is not available to sign up to their financial limit.
- 1.5. The Board and the President retain the residual power to contract on behalf of the College in relation to any and all agreements of whatever nature, notwithstanding the delegation of authority conferred upon the signing officers.

2. Funds Held on Behalf of Others

- 2.1. Authority to approve these transactions rests with the authorized officers of organizations whose funds the College is administering.
- 2.2. In absence of other authority when a second approving signature is required, transactions can be authorized by the Director of Financial Services Red Deer College.

3. Electronic Signatures

- 3.1. Electronic Signatures and electronic approval management solutions are acceptable means of approval for intra-College transactions.

- 3.2. Electronic signatures may be in a form of a scan of a real hand-written signature or any kind of electronic authenticity stamp.
- 3.3. If electronic signatures are used, the user needs to ensure that security measures have been put in place to prevent the unauthorized access, use or copying.

4. Other Provisions

- 4.1. The Following are authorized to affix the RDC Corporate Seal to Agreements binding the College:
 - Chair of the Board of Governors,
 - President,
 - Vice President Academic, and
 - Vice President of College Services/Chief Financial Officer.
- 4.2. The President and the Chief Financial Officer are the only officers with the authority to open bank account(s) in the name of Red Deer College.
- 4.3. Where this Policy conflicts with another RDC Policy currently in force, this Policy prevails.

PROCEDURE:

I. Delegation of Authority

1. Adding and Deleting Signing and Spending Authorities

- 1.1. Signing and spending authorities are determined on the basis of the job description and responsibilities.
- 1.2. The approving authority becomes effective on the day the specimen signature sheet and the signed Signing Authority Compliance form are both received in Financial Services.

2. Temporary Delegation of Authority

- 2.1. Signing officers may assign their responsibility to another individual in an acting role during period of absence from the College when that absence is greater than two business days.
- 2.2. Notification must be received in writing prior to the assignment. Notification is sent to Financial Services by email to finance@rdc.ab.ca, noting the duration of the assignment.
- 2.3. Signing authority can only be delegated to another signing authority. The designee will assume responsibilities and financial limits of the designating official.
- 2.4. Spending authority is delegated to another spending or signing authority. The designee will assume responsibilities and financial limits of the designating official.
- 2.5. Final responsibility for expenditures authorized during the acting period rests with the designating official.

3. Signing a Compliance Form

- 3.1. A Signing Authority Compliance form must be completed for any new approving authority.

3.2. The Compliance form is reviewed prior to signing with the approving authority's supervisor. The form must be signed by both parties to be valid.

4. Specimen Signature Sheets

4.1. Specimen signature sheets are used to identify the incumbent of a position to whom approving authority has been delegated.

4.2. Authorities need to provide a signature that they ordinarily use. Authorizing signatures provided on subsequent documents are compared to these samples to verify the authority.

5. Maintaining a List of Authorized Positions

5.1. Financial Services maintains a list of authorized positions and incumbents occupying those positions.

II. Signing Authority and Contract Execution

1. General Provisions

1.1. A College signing officer can only sign a document that creates an obligation or undertaking on behalf of the College if:

- The contract has been reviewed by Financial Services and/or legal counsel (where necessary and at Financial Services' discretion), and
- 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.

1.2. 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.

1.3. 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 signing authority for the contract.

2. Transactions and Contracts Requiring a Second Signature

2.1. 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 or Director of Financial Services.
- Transactions requiring Ministerial approval.
- Fee for Service Contracts, as per the relevant Policy currently in force.
- Disposal of capital assets, as per the relevant Policy currently in force.
- Partnership agreements, as per the relevant Policy currently in force.
- Any transaction that has potential strategic implications.

3. Transactions and Contracts Requiring Board Approval

3.1. 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, or
- The President determines it to be appropriate for the Board to approve.

4. Revenue Contracts

4.1. The spending authority financial limit applies to the approval and execution of revenue contracts.

5. Research Grants and Contracts

5.1. 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*.

5.2. Research contracts are approved in accordance with the *Contracts for Research and Innovation Policy* by the authorized signers within their financial limits.

6. Donor Agreements

6.1. 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 Policy.

6.2. 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.

7. Corporate Training Contracts

7.1. 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.

7.2. Continuing Education managers are authorized to execute these contracts, within their financial limit.

8. Mandatory Legal Review

8.1. The 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.

8.2. The College only uses RDC-approved terms and conditions with preference given to RDC-prepared Contract terms and conditions.

8.3. Where necessary, Financial Services arranges for a legal review.

8.4. Financial Services must be consulted on any subsequent revisions of original Contracts.

- 8.5. Appropriate time frames need to be incorporated into planning processes leading up to the Contract signing.
- 8.6. The original signed agreement and related documents are kept on file in Financial Services.

III. Spending Authority

1. Mandatory Expenses

- 1.1. Mandatory expenses, such as municipal taxes, utilities, insurance and mortgage payments, are approved by the Vice President College Services or designate.
- 1.2. Payroll expenses and government remittances are approved by the Vice President Human Resources or designate.
- 1.3. Student refunds are approved by the Director of Financial Services or designate.

2. Discretionary Expenses

- 2.1. Discretionary expenses are approved by spending authorities responsible for the budget from which they are funded.
- 2.2. These expenses, as a general rule, are initiated on a purchase requisition/purchase order per the current Purchasing Policy.
- 2.3. 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

- 3.1. Capital requests are reviewed and budget approved during the annual budget preparation process. 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

- 4.1. 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.
- 4.2. Exempt PD expenses are approved in accordance with the Terms and Conditions of Employment for Exempt Employees.
- 4.3. Individual professional membership is approved by one's supervisor with Spending Authority.
- 4.4. Institutional memberships are approved by the appropriate Spending Authority.
- 4.5. 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, following the approval rules that apply to other discretionary expenses.

5. Travel, Hosting and Business Expenses

- 5.1. 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.

- 5.2. Expenses related to conducting working sessions (ordinarily conducted on campus) are approved by the Spending Authority on the budget charged for the expense.

6. Internal Chargebacks

- 6.1. Advanced approval is not required on ordering goods or services from another College department or service; charges are reviewed by the Signing Authority responsible for the organizational unit's budget after the purchase is conducted and recorded in the accounting system.

7. Employee Reimbursements and Purchasing Card Transactions

- 7.1. 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.
- 7.2. 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.
- 7.3. Purchasing card expenses are reviewed and approved on an individual basis and the Signing Authority limit applies to each individual transaction and not the total for the period.
- 7.4. 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, travel and business expenses).
- 7.5. Where the approver of the expense is in a supervisory relationship with the claimant, the approving signature is supplemented by the affiliation to the claimant if that affiliation is not apparent from the title (e.g. Manager; PD Representative; Lab coordinator etc.) to enable a processing clerk to determine adequacy of the signature in relation to the type of expense.

OFFICER RESPONSIBLE: Vice President of College Services

RECOMMENDING AUTHORITY: Service Council

CONSULTATION FOR REVIEW: Service Council, Deans' Council

POLICY REVIEW DATE: December 2019

EFFECTIVE DATE: June 15, 2016

REVISION HISTORY: November 1, 2004 (Signing Authority Policy)
June 1, 2006
September 1, 2006
July 1, 2009
January 1, 2015 (renamed Signing Authority and Contract Execution Policy)
August 1, 2015
June 15, 2016

RELATED POLICIES:

- [Contracts for Research and Innovation](#)
- [Donations: Gift Acceptance](#)
- [Facility Booking and Rental](#)
- [Hosting and Business Expenses](#)
- [Partnerships with External Organizations](#)
- [Purchasing](#)
- [Research Grant Management](#)
- [Travel and Related Expenses](#)

CONNECTION TO BOARD POLICIES:

All RDC policies support relevant Board of Governors policies.

Appendices

Appendix A

Delegation of Authority by Position

Signing Authority Positions	Spending Authority Positions	Max. Financial Limit	Transaction type ¹
Authority not dependent on budget code, but on contract/transaction type	Authority on a budget code and within a financial limit	Applies to expenditures	Level 1: Discretionary and capital expenses Level 2: Employment related transactions (administrative responsibility) Level 3: Travel, hosting and business expenses ³
BoG		Unlimited	All + Partnership agreements + College Seal
President		Unlimited	All + Partnership agreements + College Seal
VP Academic		\$250,000	Level 1, 2 & 3 Expenses; Academic contracts; Agreements with students; Research contracts; Partnership agreements; College Seal
Associate VP Academic		\$250,000	Level 1, 2 & 3 expenses; Academic contracts; Agreements with students
Other Senior Leaders ²		\$25,000	Level 1, 2 & 3 Expenses; Director Of Applied Research and Innovation - Research contracts
Deans			
	Associate Dean	\$25,000	Level 1, 2 & 3 Expenses
	Managers or equivalent to manager	\$5,000	Level 1, 2 & 3 Expenses
	Interim Program Chairs	\$5,000	Level 1 Expenses
	PACs		
VP College Services		\$250,000	Level 1, 2 & 3 Expenses; Mandatory expenses; Construction, Banking, Investment, Leases, Property Agreements, Service and Maintenance Agreements, Insurance; Partnership agreements; College Seal
Other Senior Leaders ²		\$25,000	Level 1, 2 & 3 Expenses; ; Director of Financial Services - Any financial transaction within that positions financial limit, Student refunds, Investments and Banking
Managers or equivalent to manager		\$5,000	Level 1, 2 & 3 Expenses
VP Enterprise and Community Relations		\$250,000	Level 1, 2 & 3 Expenses; Sponsorship agreements and gifts; Non-credit program agreements; Partnership agreements
Dean		\$25,000	Level 1, 2 & 3 Expenses; Non-credit program agreements and expenses
Other Senior Leaders ²		\$25,000	Level 1, 2 & 3 Expenses; Sponsorship agreements, gifts;
Program Manager		\$25,000	Level 1, 2 & 3 Expenses; Non-credit program agreements
Managers or equivalent to manager		\$5,000	Level 1, 2 & 3 Expenses; Non-credit program agreements
VP Human Resources		\$250,000	Level 1, 2 & 3 Expenses; Personnel contracts; Employment related agreements; Collective agreements; Partnership agreements
Other Senior Leaders ²		\$25,000	Level 1, 2 & 3 Expenses
PD Committee		\$25,000	PD related expenses, including travel expenses, supplies and services
	PD Representatives	\$5,000	
	Budget Holders	\$5,000	Level 1 Expenses

¹ Risk Services has the right to demand a second signature on high-risk transactions.

² Executive Directors, Directors and other positions at senior admin level (exempt positions only).

³ Travel, hosting and business expenses must be approved by one's supervisor.



Appendix B

Signing and Spending Authority Compliance

I hereby declare that I have read, understood and agree to abide by the following Policies of Red Deer College:

- Cash Collection and Deposits
- Conflicts of Interest and Mandatory Disclosure
- Hosting and Business Expenses
- Purchasing
- Related Parties
- Risk Management
- Signing Authority
- Travel & Related Expenses

I understand that failure to comply with these Policies may result in loss of signing authority and purchasing privileges and may result in disciplinary actions up to and including dismissal.

Signed this _____ day of _____, 20____ .

(Employee Name)

(Signature)

(Position Title)

I have met and discussed these Policies, expectations and consequences with the above individual.

(Senior Leader)

(Signature)