

## SIGNING AUTHORITIES AND CONTROLS

### Background

Carrying out the business of the Division, in an accountable and fiscally responsible manner, requires clear requirements for signing authority, control and responsibility related to employees making contractual and financial commitments on behalf of the Division, its schools and departments.

### Procedures

1. The Superintendent has delegated signing authority on contractual and financial matters for the Division to the Secretary-Treasurer, recognizing that the Superintendent maintains authority as required.
2. A contract, agreement or letter signed by an employee approving or authorizing any action is legally binding and commits the Division to the conditions contained in the document. Employees signing documents or making commitments, including verbal commitments, on behalf of the Division, its schools and departments, are responsible for ensuring that all applicable Division Administrative Procedures are followed including, but not limited to, ensuring they have the necessary authority; and, if there are financial implications, that they have sufficient financial resources, approved for the purpose of the expenditure.
3. Only the Superintendent, the Secretary-Treasurer and the Assistant Superintendent or designate shall sign contracts, agreements and other documents that contractually bind the Division. No employee has authority to agree, verbally or in writing, to any commitment or financial expenditure on behalf of the Division, its schools or departments, unless delegated authority through Division Administrative Procedures or otherwise by the Superintendent or Secretary-Treasurer.
4. In addition to the Board of Trustees appointing the signing authorities for the Division, the Secretary-Treasurer is responsible for approving departmental signing and spending authority within specified limits, and for establishing necessary controls.
5. Principals, Directors and other budget managers, are required to submit annually by September 30 to the Director of Finance and Business or designate, a "Signing Authority Schedule". The employees who may be delegated the authority to sign documents making financial commitments on behalf of the Division, its schools and departments is dependent on the employees delegated budget responsibility within the school or department.
6. Unless specifically permitted by regulation or otherwise by the Secretary-Treasurer, departmental signing authorities approved by the Secretary-Treasurer shall not be delegated to another individual.

7. Each Principal, Director and other budget managers is responsible to maintain control of signing authorizations within their school or department. Principals, Directors and other budget managers are responsible for ensuring that personnel reporting to them only sign documents or make financial commitments for which they are authorized based on Division Administrative Procedures and approved budgets.
8. All employees, where applicable, shall comply with the standards and procedures outlined in the Division Administrative Procedures when signing documents and making financial commitments on behalf of the Division, its schools and departments. These requirements apply to all funds, including school-generated funds.
9. Employees, and School Council members, where applicable, shall not sign on behalf of the Division, its schools and departments, a binding contract, or agreement, cheque or other related document for which they, family members or near relatives are the beneficiaries, or have financial gain, unless in limited situations where approved in advance in writing by the Secretary-Treasurer.
10. Employees are accountable to identify through the Division reporting structure, through their Principal to the Secretary-Treasurer, financial transactions for themselves or subordinates that could be perceived as not being at arm's length, prior to entering into such transactions. This requirement is in place to prevent a real or perceived conflict of interest arising for the employee, and its implications for both the employee and the Division. Such transactions, where allowed, are subject to prior written approval of the Secretary-Treasurer.
11. Subject to Division Administrative Procedures, Principals, Directors and other budget managers are only authorized to initiate the acquisition of goods or services that have been provided for in approved budgets. This includes not only the amount of funds approved, but the approved purpose of the funds.
12. The Division signing authority, unless authorized otherwise by the Secretary-Treasurer, is normally the last to sign agreements, leases and other related legal documents or contracts. All signatures and seals of the other party or parties to the agreement should be in place before documents are forwarded to the Secretary-Treasurer for execution. Notwithstanding, no document should be executed by the other party without the Secretary-Treasurer approving the authority to proceed and approving the recommended final draft agreement, where applicable.
13. Corporate Seal  
  
Authority to use the Division's Corporate Seal is restricted to the Superintendent and the Secretary-Treasurer. The Corporate Seal is kept in the possession of the Secretary-Treasurer or delegate.
14. Property Tax Requisitions  
  
Executing property tax requisitions is restricted to the Secretary-Treasurer or designate, subject to Board Policy and the Education Act.

15. Grant Applications

Executing all provincial, federal, and philanthropic or other grant applications by the Division, its schools and departments, is restricted to the Secretary-Treasurer or designate.

Where no cost, including ongoing operational costs and disposal costs, or no legal obligation is created for the Division, the Principal may sign School grant applications including those made by School Councils, subject to Division Administrative Procedures or other directives governing such aspects as the appropriateness of the grant activity.

If there is any legal or cost obligation to the Division, the School or School Council, a written recommendation is required to be made in advance by the applicable Principal or Director to the Secretary-Treasurer, for approval consideration.

Non-school based employees shall not make grant applications, unless prior approval is received by the Secretary-Treasurer upon recommendation of the applicable Principal or Director.

16. Leases

Executing all leases on behalf of the Division, its schools and departments, is restricted to the Secretary-Treasurer or designate.

17. Banking

Executing all Division banking contracts is restricted to the Secretary-Treasurer or designate. The Director of Finance and Business is delegated the authority to open Division bank accounts. For the purpose of School bank accounts, including School Council accounts, the authority is delegated by the Secretary-Treasurer to Principals.

18. Borrowing and Loans

Authority to negotiate and execute documents for the purpose of borrowing is restricted to the Secretary-Treasurer, subject to Board Policy and the Education Act.

No Division employee shall authorize loans to any person or body, utilizing Division funds, including school-generated funds.

19. Payments

The Director of Finance and Business is accountable to ensure that appropriate controls and processes are in place so that all payments are made on a timely and accurate basis.

The Secretary-Treasurer has authority to determine whether controls in place are adequate, and to require additional controls, if necessary, in the opinion of the Secretary-Treasurer.

## 20. Cheque Signing

All cheques issued by the Division, its schools and departments, require two authorized signatures. All School cheques require two authorized manual signatures, one being that of the Principal.

The Secretary-Treasurer designates the Director of Finance and Business as responsible for control of computerized, electronic and manual signatures of Division cheques, including payroll cheques.

Use of computerized or electronic means of signature is restricted to Division Cheque Signing Authority only. The use of mechanical means of signature, such as rubber stamps, is prohibited for any cheques or other financial documents.

Subject to the approval of the Secretary-Treasurer, the Director of Finance and Business is accountable to ensure Division computerized or electronic signatures are kept secured and, while in use, are under sufficient controls. Prior to the release of all Division cheques, including payroll cheques, written authorization of the Director of Finance and Business or designate is required.

On Division cheques, the computer-generated signatures used are those of the Superintendent and Secretary-Treasurer.

## 21. Express and Off-Cycle Cheques

Where warranted under exceptional circumstances, the Secretary-Treasurer or, where delegated, the Director of Finance and Business may authorize the production of Division express or off-cycle cheques, including payroll cheques and electronic fund transfers. Once authorized by the Director of Finance and Business, a copy of the cheque register shall be provided promptly to the Secretary-Treasurer.

In the case of off-cycle payroll cheques and electronic funds transfers, a copy of the payroll cheque register and, in the case of electronic funds transfer, the Electronic Funds Transfer report shall be provided promptly to the Secretary-Treasurer.

The Director of Finance and Business and the Secretary-Treasurer are accountable to ensure that adequate controls are in place to minimize the necessity for express and off-cycle cheques. The Secretary-Treasurer has the authority to determine whether controls in place are adequate, and to require additional controls, if necessary in the opinion of the Secretary-Treasurer.

## 22. Emergent Cheques

Only for use at the school level and for the purpose of emergent and exceptional circumstances emergent cheques are to be used to cover expenses in the event that there is not enough lead time to have the expense processed at the Division office. The cheques are only valid with the authority of the Secretary-Treasurer and the Principal or Vice Principal. They cannot exceed \$1,000.00 and distribution of the cheques to the schools will be controlled at the Division office.

23. Credit or Charge Cards

School Principals, Directors, Assistant Superintendents and Secretary-Treasurer may approve their direct reporting employees or other individuals to have credit or purchase cards in the name of its Schools or Departments.

The Superintendent's approval shall be required for the Secretary-Treasurer and Assistant Superintendents to have a Division's credit or purchase card.

Any approvals provided shall be in writing, and may be rescinded at the discretion of the Secretary-Treasurer or Superintendent.

The acquisition of Division Purchasing Cards is approved for authorized personnel, subject to the requirements outlined in the US Bank Purchasing Card Program, User's Guide.

24. Investments

Authority to invest Division funds, including school-generated funds and School Council funds, is governed by both the Trustees Act and the Education Act and is the responsibility of the Secretary-Treasurer or designate.

The Division, including its schools and School Councils, shall only invest in Bankers Acceptances, Guaranteed Investment Certificates, Bearer Deposit Notes, and Term Deposits issued by the five major banks: Royal Bank, Canadian Imperial Bank of Commerce, Toronto Dominion Canada Trust, Bank of Montreal and Bank of Nova Scotia; or ATB Financial (Alberta Treasury Branches). The Secretary-Treasurer may consider approving other investments, on an exception basis, but only if the financial institution is a member of the Canadian Insurance Deposit Corporation (CIDC), or where the deposits are guaranteed by the Credit Union Deposit Guarantee Corporation, under the Alberta Credit Union Act. Prior written approval of the Secretary-Treasurer shall be required in these circumstances.

The maximum term allowed for an investment is the greater of 1 year or 365 days.

25. Writing-Off Uncollectable Accounts

The Secretary-Treasurer is delegated by the Superintendent the authority to write-off uncollectable Division accounts, including uncollectable payroll over-payments and school accounts. The Secretary-Treasurer delegates to the Director of Finance and Business the authority to write-off uncollectable accounts of \$25 or less after one year.

After two years, uncollectable accounts in the amount of more than \$25 may be approved for write-off by the Secretary-Treasurer, on the recommendation of the Director of Finance and Business, based on a review of the circumstances, including controls in place to prevent similar future occurrences, and collection action having been undertaken.

An account over two years old, deemed by the Secretary-Treasurer to be collectable in the future, is to be reserved in full and shall be maintained in the records pending future collection. If collection efforts were unsuccessful, or the account is deemed by the

Secretary-Treasurer to be uncollectable, the Secretary-Treasurer may write-off the account.

The Secretary-Treasurer may also write-off accounts deemed by the Secretary-Treasurer to be uncollectable, given extraordinary circumstances, prior to two years. Amounts written-off over \$1,000 shall also require written approval of the Superintendent.

26. Electronic Funds Transfers

Using electronic funds transfer as a method of payment to specific suppliers or other financial commitments, requires prior approval of the Secretary-Treasurer or designate.

27. Cheque Requisitions

Division cheque requisitions are required to make all Division payments, except:

- Invoiced goods or services,
- goods and services provided under a Division contract, including transportation contracts,
- Employee/Trustee expense reimbursements
- Division Purchase Card payments,
- petty cash payments,
- employee pay (except for Express Cheques which shall require cheque requisitions)
- Education Subsidy payments, and
- other payments if determined by the Secretary-Treasurer

All Division Cheque Requisitions require authorized signatures prior to forwarding to the Accounts Payable Clerk for payment.

The Secretary-Treasurer's approval is required to authorize payments for:

- honoraria, stipends, and Trustee per diems,
- legal services,
- advances for travel expenses,
- all "rush" payment requests requiring cheques outside the regular cheque run cycle,
- School Principal, Superintendent and Board Chair purchasing card statements, or
- Superintendent and Principal personal expense claims.

28. Fixed Asset Purchases

All fixed asset purchases (\$5,000 or greater including un-recovered GST), regardless of the source of funds, including school-generated funds, shall require prior approval of the Secretary-Treasurer, unless where procedure allows otherwise, or where the Secretary-Treasurer has approved in writing or by procedure acquisition through the Maintenance Department.

29. Budget Transfers

Only the Secretary-Treasurer, or where delegated, the Director of Finance and Business, has the authority to approve budget transfers from one department budget to another, upon written request of the respective Principal or Director, in the required format.

Principals, Directors or other Budget Managers may reallocate approved non-salary budget account codes to other non-salary budget account codes within their approved budgetary control. Such transfers are subject to expenditures being made only for the approved purpose of the budget provided.

The use of non-salary budget codes for salary expenditures, or the use of salary budget codes for non-salary expenditures is only permitted in rare and exceptional circumstances and require the prior approval of the Secretary-Treasurer.

30. Receipt of Goods or Services

Acknowledging the receipt of goods or services on behalf of the Division, its schools and departments, is an approval that initiates payment to the supplier of the good or service. Acknowledging receipt requires verifying that all goods and services contracted or invoiced have been received and meet the criteria outlined in the contract, purchase order or agreement. Principals or Directors may delegate the duty to receive goods or services on behalf of their School or Department; however, accountability remains with the Principal or Directors.

31. Payroll

The Secretary-Treasurer is accountable to ensure that appropriate controls and processes are in place so that all payroll payments and statutory deductions are made on a timely and accurate basis. The Secretary-Treasurer has authority to determine whether controls in place are adequate, and to require additional controls, if necessary, in the opinion of the Secretary-Treasurer.

32. Payroll Advances

Only the Secretary-Treasurer is authorized to approve payroll advances.

Advances shall only be considered for extenuating circumstances. In no case, however, may a salary advance exceed an employee's accrued vacation pay credit. All requests made shall be through the respective Principal or Director in advance and in writing. Secretary-Treasurer approval shall be in writing and prior to any advance being given.

33. Vacation Payouts

Earned vacation leave shall not be paid out to employees without the written recommendation of the Secretary-Treasurer. Normally, approval will only be considered upon resignation, retirement, lay-off or termination. Individual employees and their supervisors shall manage vacation schedules to ensure that vacation time is taken at appropriate times, and that circumstances of vacation payout requests are limited only to extraordinary situations.

Management of vacation accrual is expected to avoid payment of unnecessary vacation pay at time of retirement. The Secretary-Treasurer is accountable to establish sufficient controls to manage vacation, and to ensure vacation is only accrued on very exceptional circumstances and that with the prior approval of the employees' supervisors in consultation with the Superintendent or designate. In the case where employees are covered under collective agreements, terms of employment or protocols, the terms of the collective agreement, term of employment or protocol shall apply.

The Secretary-Treasurer may payout vacation time in extenuating circumstances. In no case, however, may a vacation payout reduce an employee's accrued vacation pay credit to less than 2 weeks.

#### 34. Hiring and Staff Reclassifications

Authority to hire employees is delegated by the Superintendent to the Assistant Superintendent responsible for Human Resources. Employee classification and reclassification is done solely by the Assistant Superintendent responsible for Human Resources.

Except for the Superintendent's contract, that requires the Board Chair's approval, and the Senior Administration contracts that require the Superintendent's approval, all employment contracts shall require approval of the Assistant Superintendent responsible for Human Resources.

#### 35. Partnership Agreements

The formation of "School" Partnership Agreements is delegated by the Superintendent to the Assistant Superintendent of Learning Services or designate.

Executing/signing all partnership agreements on behalf of the Division and its Schools is restricted to the Superintendent and the Secretary-Treasurer.

Forming or entering into "Division" Partnership Agreements at the Division level requires the prior approval of the Superintendent. Division Partnership Agreements shall only be signed by the Superintendent or Secretary-Treasurer, except in those circumstances determined by the Superintendent that require the signature of the Board Chair.

#### 36. Conflicts with Administrative Procedures

Where a conflict exists or is created between this administrative procedure and another, the other will prevail.

References: Section 4, 54 Education Act  
Trustees Act  
Collective Agreements with ATA  
Terms of Employment with Support Staff  
Employee Protocol with Central Office Staff  
Administrative Procedure 105 Appendix – Guiding Principles for Budget Allocation  
Administrative Procedure 402 – Staff Conflict of Interest and Nepotism  
Administrative Procedure 515 - Purchasing