

1.3

Policy Title: 1.3 Financial Signing Authority

Section: 1.0 Roles and Responsibilities

Last Approved: October 2019

BACKGROUND

To provide employees with guidelines outlining the authority of employees committing the Association to expenditures and the circumstances where expenditures require approval of the Executive.

APPLICATION

This policy applies to all employees within the Association who have been delegated signing authority by the Executive.

POLICY STATEMENT

Approval of the Executive

1. The following expenditures and programs will be presented to the Executive for approval.
 - 1.1. Expenditures that may cause the Association to be over the approved operating/capital budget for the year are to be reported regularly to the Executive through the forecasting process.
 - 1.2. In the event of an emergency requiring an immediate response of unbudgeted expenditures (e.g. a building roof failure), the Executive Director is granted authority for expenditures of up to \$100,000 to respond to the emergency.
 - 1.3. In the event that an emergency occurs and the expenditures are expected to be less than \$100,000, the Executive Director is to advise the President of the Association of the issue as soon as is possible.
 - 1.4. If the expenditures are expected to be more than \$100,000, the Executive Director will convene a meeting of the Executive to seek approval for the expenditure.
 - 1.5. Transfer of investment funds in excess of the approved Association Operating/Capital Budget for the year.
 - 1.6. All purchases or sales of real property.
 - 1.7. Contractual agreements in excess of \$25,000 with the exception of agreements related to ongoing operations of the Employee Benefits Plan or Insurance Program or expenditures previously approved by the Executive.
 - 1.8. Borrowing or bank overdraft protection.
 - 1.9. Changes to the Association's Investment Policy.
 - 1.10. Appointment of the External Auditor.
 - 1.11. Appointment of the Investment Manager.
 - 1.12. Audited Financial Statements and content of the Annual Report.

1.3

- 1.13. All terminations of contracts of employment.
- 1.14. Approval of the Executive prior to SSBA Legal Services taking on legal matters of a provincial nature (e.g. litigation) which may result in liability to the SSBA.
2. Separate Executive approval for an expenditure will not be required where the expenditure has been previously approved by the Executive or SSBA membership such as with the SSBA annual operating/capital budgets or expenditures approved by the Executive as a Decision Item.
3. The Association will provide financial results and forecasts to the Executive on a regular basis, with a minimum of quarterly reporting.

Approval of the Audit and Investment Committee

4. The Audit and Investment Committee shall have the authority to approve the following:
 - 4.1. Investment management decisions consistent with the approved Investment Management Policy.
 - 4.2. Significant changes to accounting policies and practices to be adopted by the Association including management's key estimates and judgments that may be material to financial reporting. When these changes are approved by the Audit and Investment Committee, they must be recommended for approval to the Executive prior to finalization of the Audited Financial Statements for that period.
 - 4.3. The External Audit plan and Engagement Letter.
 - 4.4. Open and close any bank, investment, or loan accounts for the Association.

Approval by the Executive Director

5. The Executive Director shall have the authority to enter into agreements, approve payments, invoices and transfer funds on behalf of the Association for expenditures that have been approved by the Executive. This includes operating and capital expenditures approved through the budget process and new initiatives that have been approved by the Executive as Decision Items. The Executive Director also retains the authority for withdrawals from investment accounts for budgeted or forecasted cash flow requirements of which the Executive has been made aware through the budget/forecast process.
6. The Executive Director retains authority over the following:
 - 6.1. Expenditures within the approved budget for the period. Expenditures that may cause the Association to be over the approved operating/capital budget for the year are to be reported to the Executive at the next Executive meeting.
 - 6.2. In the event of an emergency requiring an immediate response of unbudgeted expenditures (i.e. a building roof failure), the Executive Director is granted authority for expenditures of up to \$100,000 to respond to the emergency.
 - 6.3. In the event that an emergency occurs and the expenditures are expected to be less than \$100,000, the Executive Director is to advise the President of the Association of the issue as soon as is reasonably possible.

1.3

- 6.4. If the expenditures are expected to be more than \$100,000, the Executive Director will convene a meeting of the Executive to seek approval for the expenditure.
- 6.5. Transfer of investment funds within the approved Association Operating/Capital Budget for that year.
- 6.6. All disposition of assets such as office furniture or equipment with a residual value less than \$5,000.
- 6.7. Contractual arrangements up to \$25,000. This maximum amount can be exceeded for agreements related to the regular operations of the Employee Benefits Plan or Insurance Program or expenditures previously approved by the Executive.
- 6.8. Approval of expenses within the Association’s current Financial Policy Manual within approved budgeted amounts.
- 6.9. All expenditures that will cause a specific department to exceed annual budget allocations provided that they do not cause the Association to be over budget for the period.
- 6.10. All contracts of employment within approved budgeted expenditures and Full-time-equivalents (FTE) allocation including but not limited to:
 - 6.10.1. All salary changes for SSBA staff within approved budgeted expenditures.
 - 6.10.2. Director/ Strategic Advisor in First Nation and Metis Education Expenses.
 - 6.10.3. Relocation assistance.
 - 6.10.4. Vacation payout requests.
 - 6.10.5. Professional Development fund carry-over in conjunction with the Individual Professional Development Plan.
 - 6.10.6. Association Professional Development plan expenditures.
- 6.11. Authorized signatory to open and close bank accounts and change signers on specific bank accounts together with the Director of Corporate Services.
- 6.12. Issuance of Association credit cards.
- 6.13. Write-off or cancellation of accounts receivable greater than \$100.

Executive Director – Signing Delegations

- 7. The Executive Director may delegate financial authority for authorizing payments and cash transfers, and signing agreements to Association Directors/ Strategic Advisor in First Nation and Metis Education as required to balance the needs of operating efficiency and effective controls.
- 8. The current delegation of signing authority is as follows:

	Limits	Delegation	Comments/Exceptions
Contractual Arrangements	<\$10,000	Directors	
Approved Department	< \$50,000	Directors	The Director responsible for Employee Benefits may approve

FINANCIAL AND OPERATIONAL POLICY

1.3

Budgeted Expenditures			<p>monthly premiums associated with the Employee Benefit Plan to the lesser of: monthly premiums billed to subscribers or \$2,000,000.</p> <p>The Director responsible for Insurance may approve budgeted expenditures associated with the Insurance Plan to a maximum of \$200,000 per instance.</p>
Payments made by EFT/Cheque	Unlimited for expenditures approved by the Executive through the budget process or as a Decision Item for the Executive.	Directors (Set up authorized signers for financial institution)	All payments require two signatures.
Cash Transfers – operating funds	Unlimited	Director of Corporate Services	<p>Cash transfers to/from existing Association operating accounts for cash management purposes.</p> <p>Transfers to new accounts or to investment accounts must be approved by the AIC.</p>
Write-off or cancellation of accounts receivable	<p><\$25</p> <p><\$100</p> <p>\$100+</p>	<p>Director of Corporate Services</p> <p>Executive Director</p> <p>Executive</p>	
Approved Budgeted Staff Expenses	<\$10,000	Directors	Includes approval of Professional Development expenses to the maximum for each year as per the Association Policy Manual.
Overtime	Unlimited within approved budget for the Department	Directors	Cannot approve one's own overtime.

9. Goods and Services with a value of \$25,000 or higher are considered high value purchases, requiring a competitive process for procurement (Request for Proposals (RFP) or Request for Quotations (RFQ), etc.). Purchases above \$5,000 but below \$25,000 require a minimum of three written quotations from qualified suppliers.
10. New contracts should be reviewed by legal services if any of the following conditions are met:

1.3

- 10.1. Contract amount exceeds \$50,000;
- 10.2. Contract exceeds 5 years;
- 10.3. Contract is for goods/services not in the normal course of Association operations;
- 10.4. Perception of conflict of interest; or
- 10.5. Contract is deemed to require legal review by either management or the Executive.

REFERENCES

Executive Policy 2.0 – Role of the Executive
Executive Policy 12.0 – Role of the Executive Director
SSBA Bylaw 4.2 - Executive – Powers and Duties
Audit and Investment Committee Terms of Reference
Financial and Operational Policy 1.2 – Role of the Audit and Investment Committee
Financial and Operational Policy 1.3 – Financial Signing Authority
Staff and Human Resources Policies