



# St. Thomas University

## MEMORANDUM

**To:** Administration Management Committee  
Dr. Kim Fenwick, Dean of Social Sciences  
Dr. Michael Boudreau, Dean of Humanities  
Dr. Michael Dawson, Associate Vice-President (Research)

**From:** Lily Fraser, Vice-President Finance and Administration

**Date:** December 11, 2015

**Subject:** Signing Authority Policy

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Please find attached a Signing Authority Policy. This is a new policy developed for the purpose of defining the authority to make commitments and incur expenditures on behalf of the University. In accordance with the University By-Laws, the President has general responsibility for managing and directing all academic, financial and administrative programs of the University and the supervision of the University's officers, faculty and staff. Since it is not possible for the President to carry out all the responsibilities personally, this Signing Authority Policy defines the authority to make commitments and incur expenditures on behalf of the University by University employees, and also serves as a mechanism for the President to delegate certain powers (such as the power of appointment) to designated persons.

The Policy also provides background information regarding financial management controls and other relevant policies that are currently in place.

Being a new Policy, I am certain that we will fine-tune the Policy over time and as we gain experience with it. Any inquiries and requests for clarification can be sent to the attention of the Comptroller or myself.

Sincerely,

A handwritten signature in cursive script that reads "Lily Fraser".

Lily Fraser  
Vice President  
Finance and Administration



# St. Thomas University

<b>POLICY:</b>	<b>Signing Authority Policy</b>
<b>Effective Date:</b>	December 11, 2015
<b>Approving Body:</b>	President
<b>Implementation:</b>	Vice-President (Finance & Administration)
<b>Sponsor/Contact:</b>	Vice-President (Finance & Administration)
<b>Applies to:</b>	Faculty and Staff of St. Thomas University

## 1.0 Background

1.1 The Signing Authority Policy was developed in the context of the following financial management controls and approval policies currently in place:

1.1.1 A number of authorities are currently outlined in the **By-Laws of the University** or were made by **Board resolution**. These are included in Appendix A and are based on the By-Laws of the University.

1.1.2 **Operating, capital, ancillary and endowment budgets** are approved annually by the Board of Governors. This provides spending approval authority corresponding to various departmental budgets and line items. Examples of operating budgets include Academic Expenses, Scholarships, Physical Plant, and Athletics.

1.1.3 There is a **division of responsibilities** to ensure that the same individual may not exercise both spending and payment authority for any particular transaction. In general, the spending authority is exercised by the appropriate departmental head/director/VP/President, while the payment authority is exercised by Financial Services staff.

- Spending authority is the authority to incur expenditures chargeable to a departmental budget, and to confirm satisfactory contract performance and price as a prerequisite to requesting payment for goods or services.
- Payment authority is the authority to request payments and to authorize them to be charged to departmental budgets, after exercising the appropriate financial controls (e.g. ensuring that the invoice is an original invoice, verifying that the department has sufficient budget to cover the expenditure, verifying that the invoice is signed by the appropriate signing authority, etc.).

1.1.4 Quarterly financial forecasts are provided to the Finance Committee and to the Board of Governors. These updates are intended to identify areas of budgetary concern and any related recommended actions.

1.1.5 The University currently has a specific policy, the **University Expenditure (Travel) Policy**, regarding the reimbursement of expenses by the University to faculty and staff for reasonable expenses incurred while an employee is on approved University business. The policy is available on the University website at: <http://w3.stu.ca/stu/administrative/financial/policies/default.aspx>

## 2.0 Definitions

- 2.1 “Board” means the Board of Governors of St. Thomas University.
- 2.2 “contract” means any written agreement, contract, subcontract, letter of intent, memorandum of understanding, memorandum of agreement, lease, license, donor agreement, deed, grant, certificate, instrument, assignment, obligation, or any other document which creates an obligation or which may be binding upon the University.

## 3.0 POLICY

- 3.1 Section 8.01 of the By-Laws relates to the role of the President as the Chief Executive Officer of the University. Item (d) of that Section states that, subject to the direction of the Board, the President has general responsibility for managing and directing all academic, financial and administrative programs of the University and the supervision of the University’s officers, faculty and staff. Since it is not possible for the President to carry out all the responsibilities personally, **this Signing Authority Policy defines the authority to make commitments and incur expenditures on behalf of the University by University employees, and also serves as a mechanism for the President to delegate certain powers (such as the power of appointment) to designated persons.**
- 3.2 No employee of the University is authorized to sign a contract, make a commitment or incur expenditures on behalf of the University unless authority to do so has been provided for in this Policy, in the By-Laws of the University, or in another policy or resolution approved by the Board.
- 3.3 An employee who holds a position above the delegated signing authority is considered to be an authorized signing authority. For example, if a Director is absent, the Director’s supervisor (Vice-President,) and the President are authorized to sign the documents that would normally be authorized by that Director.
- 3.4 A resolution made by the Board of Governors provides authority to the President and/or appropriate Vice-President(s) to sign the relevant documents on behalf of the University to implement the Board decision.
- 3.5 The Signing Authorities are defined as in the following Table:

<b>Commitment</b>	<b>Signing Authority</b>	<b>Comments</b>
<p>Contracts if value (annual or in total) is \$500,000 or greater</p> <p>If value is less than \$500,000</p>	<p>President</p> <p>Appropriate VP</p>	<p>For contracts with significant legal or financial risk, or significant strategic implications for the University, normally there is a prior consultation between the President, VP (A&amp;R) and VP (F&amp;A).</p>
<p>Government funding applications if value (annual or in total) is \$100,000 or greater</p> <p>If value is less than \$100,000</p>	<p>President or VP (A&amp;R) or VP (F&amp;A)</p> <p>Appropriate Director, in consultation with relevant VP</p>	<p>Incl. funding applications to hire students under federal and provincial government programs</p>
<p>Contracts in relation to research grants</p>	<p>President or VP (A&amp;R)</p>	
<p>Contracts pertaining to the regular operations of administrative departments. This includes maintenance agreements, software licenses, rental agreements, and agreements to provide products or services and other routine matters.</p>	<p>Appropriate Director for annual values up to \$25,000</p> <p>VP (F&amp;A) for annual values exceeding \$25,000 and less than \$500,000</p> <p>President for annual values of \$500,000 or greater</p>	
<p>Gift agreements, deferred gifts and related documents</p>	<p>VP Advancement for gifts of less than \$10,000.</p> <p>President for all gifts of \$10,000 or more; VP (Advancement) may be designated by the President to sign.</p>	<p>Acceptance of Donations Policy</p>
<p>Charitable income tax receipts</p>	<p>Prepared by the Advancement Office, using the President's electronic signature.</p>	
<p>Settlement agreements arising from legal claims</p>	<p>President or appropriate VP</p>	
<p>Termination settlements</p>	<p>President, unless it falls under the authority of the Senior Administration Compensation Committee (in which case the Committee Chair has signing</p>	

	authority) (see Appendix A-Signing Authorities Included in the By-Laws of the University or Established by Board Resolution)	
Payment of funds (Payment Authority)	Comptroller if amount is \$25,000 or less.  Comptroller and VP (F&A) if amount is greater than \$25,000.	
Deposit of funds in bank accounts and transfer of funds between bank accounts	Comptroller	
Short term borrowing/cash management transactions, within the limits set by the Board	Comptroller, in consultation with VP (F&A)	
Investment fund transactions (e.g. transfer of funds to a bank account)	Any two of the President, the VP (A&R) and the VP (F&A), and upon recommendation by the Comptroller	
Purchase orders  Purchase orders, tender documents, and rental/lease agreements	Facilities Management Office Coordinator if amount is \$1,500 or less.  Director of Facilities Management if annual value is \$25,000 or less, VP (F&A) if it exceeds \$25,000. President if value (annual or in total) is \$500,000 or greater.	Procurement Act (Statutes of New Brunswick) and Regulations
Accounts receivable write-offs	Comptroller, if cumulative total is less than budgeted provision for bad debts  VP (F&A) if it exceeds budgeted provision for bad debts	
Position reclassifications (change in the classification of a position)	President.	
Power of appointment, promotion, discipline and termination of all employees of the University, in accordance with any applicable collective agreement	President, and as specified in the applicable collective agreement, and as designated below.  The President shall approve requests to fill a position in advance of advertising a position, and the length of the term in the case of a temporary position, in	

	<p>consultation with the appropriate VP.</p> <p>The following are additional parameters regarding appointment, promotion, discipline and termination:</p> <ul style="list-style-type: none"> <li>• The President shall sign offers of employment for Full-Time Faculty on limited term and tenure track appointments, and for positions that report directly to the President and for Communications positions.</li> <li>• The President designates the Dean of Social Sciences or the Dean of Humanities (as appropriate) to sign offers of employment for Part-Time Faculty.</li> <li>• The President designates the Vice-Presidents to sign offers of employment for positions that fall under their respective areas of responsibility.</li> <li>• The President designates the following: Disciplinary measures related to staff will be determined by the appropriate Director in consultation with the HR Director and the appropriate VP, and in accordance with any applicable collective agreement.</li> <li>• Only the President may suspend or dismiss an Employee.</li> </ul>	
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Note: when specific threshold amounts are used, the threshold amounts exclude HST.

#### **4.0 Delegation of Signing Authority During an Absence**

- 4.1 Section 8.02 of the By-Laws states that the Vice-President Academic shall act for the President in his or her absence or inability.
- 4.2 Unless the By-Laws provide otherwise, when a signing officer or employee designated under this policy is absent for any reason, including vacation, the signing officer or employee can (in the absence of any specific provision in the By-Laws) appoint in writing an acting signing officer or employee, to exercise the authority of the signing officer or employee, indicating the period during which it is effective (beginning and end dates) and reason for the absence. These delegations or appointments shall be communicated to the Comptroller.

#### **5.0 Conflict of Interest**

- 5.1 Employees shall not exercise their signing authority in situations where a conflict of interest exists or could be seen to exist. The Conflict of Interest Policy applicable to employees is available on the website at [http://w3.stu.ca/stu/administrative/hr/policies/conflict\\_interest.aspx](http://w3.stu.ca/stu/administrative/hr/policies/conflict_interest.aspx)

#### **6.0 Policy Interpretation**

- 6.1 Inquiries and requests for clarification can be addressed to the Comptroller and/or to the Vice-President of Finance and Administration.

**Appendix A:**

**Signing Authorities Included in the By-Laws of the University or Established by Board Resolution**

<b>Signing Authority Source</b>	<b>Signing Authority &amp; Comments</b>
<p><b><u>Banking Resolution, Executive Committee, January 12, 2012:</u></b>            Accept, purchase, sell and convey, assign, transfer or otherwise dispose of, any or all <b>shares, stocks, or bonds, debentures, debentures stock, mutual fund units and other securities</b> of whatsoever nature of kind and to sign and execute on behalf of the University any or all instruments of acceptance, purchase, sale or transfer or other documents whenever necessary or desirable to effectuate the same with full power to appoint an attorney or attorneys with full power of substitution, and that any and all instruments of acceptance, purchase, sale or transfer or any other documents in connection therewith heretofore signed and executed on behalf of the University in accordance with the authority set out herein are hereby ratified and confirmed.</p>	<p>Any two of the President, the VP (A&amp;R) and the VP (F&amp;A)</p>
<p><b><u>Section 2.03 of By-Laws:</u></b>  <b>Execution of Instruments:</b>            All undertakings, deeds, documents and instruments in writing executed by the University (whether under its corporate seal or not)</p>	<p>Executive Committee, or any two of the Chairperson of the Board, the President and the Secretary of the Board</p>
<p><b><u>Section 2.04 of By-Laws:</u></b>  <b>Cheques, Drafts or Notes</b>            All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons whether or not officers of the University, and in such a manner as the Board of Governors may from time to time designate.</p>	<p>In practice, electronic signatures are used for cheques and electronic transfers of funds are often used instead of cheques. The approval levels are identified in the Signing Authority Policy under “Payment of Funds (Payment Authority)”.</p>
<p><b><u>Section 2.05 of By-Laws:</u></b>  <b>Bank Accounts</b> may be kept in the name of the University with any incorporated bank or trust company in Canada or elsewhere, and all bills of exchange, cheques, promissory notes and hypothecations shall be made, drawn, signed, accepted, endorsed, or executed by such officers or other persons as may be designated by resolution of the Board of Governors.</p>	
<p><b><u>Section 8.03 of By-Laws:</u></b>  <b>Custody and care of the funds of the University</b>, shall deposit same in chartered banks in the name of the University and shall pay out and dispose of same, sign all cheques, drafts and notes for payment of money.</p>	<p>Note: there is overlap between Sections 2.04, 2.05 and 8.03.             VP (F&amp;A) (subject to the direction of the President). Some of these functions are delegated to the Comptroller as part of the Signing Authority Policy (e.g. deposit of funds)</p>



<p><b><u>Section 2.06 of By-Laws:</u></b>  <b>Borrowing</b>  The Board may from time to time:  (a) borrow money upon credit of the University;  (b) limit or increase the amount to be borrowed;  (c) issue bonds, debentures, debenture stock or other securities of the University;  (d) pledge or sell such bonds, debentures, debenture stock or other securities for such sums and at such price as may be deemed expedient;  (e) mortgage, hypothecate or pledge the real or personal property or both including book debts and unpaid calls, rights, powers, undertakings and franchises of the University to secure any such bonds, debentures, debenture stock or other securities and any money borrowed for the purpose of the University.</p>	<p>Board of Governors</p>
<p><b><u>Section 8.01 of By-Laws:</u></b>  <b>The President has power of appointment, promotion, discipline and termination</b> of all employees of the University, in accordance with any applicable collective agreement, and may designate one or more persons to act on the President's behalf with respect to these powers;</p>	<p>The President.</p>
<p><b><u>Terms of Reference of the Senior Administration Compensation Committee (from By-Laws):</u></b>  Determine <b>Compensation</b> for President and Vice-Chancellor  Approve Recommendations from the President regarding Vice-Presidents' Compensation  Determine <b>Termination</b> Settlements for President or a Vice-President</p>	<p>Senior Administration Compensation Committee</p>
<p><b><u>Terms of Reference of the Finance Committee (from By-Laws):</u></b>  Approve <b>salary scales for administrative and support staff</b> and to make recommendations to the Board on the <b>financial terms negotiated with faculty and staff unions</b>;</p> <p>Recommend to the Board all <b>transfers of funds among the University's various unrestricted and restricted funds</b></p> <p>Make recommendations to the Board on the <b>acquisition and disposition of land and buildings</b></p>	<p>Finance Committee and/or recommends to the Board</p>
<p><b><u>Terms of Reference of the HR Committee (from By-Laws):</u></b>  Make recommendations to the Board on the <b>approval of the non-financial terms of collective agreements negotiated with faculty and unionized staff</b>;</p> <p>Make recommendations for <b>position classification systems, salary scales and benefit plans for non-unionized employees</b> with the exception of Senior Administration positions which are the responsibility of the Senior Administration Compensation Committee of the Board;</p>	<p>Human Resources (HR) Committee recommends to the Board</p>