

## Policies and Procedures

Effective: 2019-01-01  
Next Review: 2022-09-01

### Policy 9000: Signing Authority

#### A. PURPOSE

The *College and Institutes Act* authorizes the Board of Governors (the “Board”) to manage the business and affairs of the College. For effective management, the Board delegates its authority to the President (Board Policy B20) and through this policy, the President further delegates authority to College officers and employees as described below.

The purpose of this policy is to outline the signing authority and responsibilities for employees who have the authority, either by statute or through delegation by the President, to sign revenue generating and expenditure contracts/agreements, and other binding documents on behalf of the College.

#### B. SCOPE / LIMITS

This policy and its related procedures apply to all legal and financial documents of the College that require an authorizing signature(s); examples include contracts, agreements, applications for funding, donations to the College, real property transactions, leases, cheques and other banking-related documentation, investments, patents and the use of the corporate seal. The policy also applies to binding education-related documents, including transfer, articulation, and practicum agreements, memoranda of understanding (MOU) and letters of understanding (LOU).

#### AUTHORITY TO BIND THE COLLEGE

Pursuant to the *College and Institute Act*, the Board of Governors (the “Board”) has the power to enter into Agreements and delegates certain powers and duties to the President to execute Agreements that bind the College. The President assigns authority to execute Agreements to specific officers within the College.

Pursuant to the *College and Institute Act*, Agreements must be signed by two authorized signatories of the College. Normally, those two signatories will be the President and the Vice President, College Services/CFO.

Employees of the College are not authorized to sign Agreements unless they have been granted that authority pursuant to this policy or a resolution of the Board, or such authority has been delegated as outlined below.

#### DELEGATION

The President delegates the management of signing authority to the Vice-President, College Services/CFO and in her/his absence to the Director of Finance. No other person may authorize any signing authority.

#### INDEMNITIES AND INSURANCE

The granting of indemnities by the College is restricted by legislation. The Director of Finance or the Office of Vice President, College Services/CFO must be contacted concerning an Agreement that contains an indemnity and insurance prior to it being finalized and signed. Please see procedure document for more information.

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### C. PRINCIPLES

1. The College has an obligation to establish a comprehensive system of controls over all legal and financial commitments thereby ensuring the ongoing operational health of the institution.
2. A key element in the control of legal and financial commitments is to assign signing authority to appropriate positions within the College for various types of documents and transactions, reflecting the value of the transactions (where applicable) as well as the expertise of the signing authorities.
3. All documents and transactions will be identified by type, and the College will identify the signing authority(ies) by position, that will be required to sign each such document or transaction. The “Selkirk College Signing Authority Schedule” documents this information.
4. The College will maintain and monitor the schedule to ensure that it is complete and current, reflecting changes in positions, changes in threshold amounts within each category, etc. The Vice-President, College Services/CFO may make non-material changes to these authorizations to reflect changes to the titles of positions included in these Authorizations, the deletion of positions included in these Authorizations, and the addition of positions directly comparable to those included in these Authorizations.
5. The College will document the responsibilities of the signing authorities with respect to such issues as legal and risk management review, insurance, and execution of documents, records management, delegation and spending authority and provide training to ensure that signing authorities understand their responsibilities.
6. The Finance department will establish and document the circumstances under which signing officers may delegate their authority to other positions.
7. Prior to signing an agreement that is unusual or contrary to past appropriate practice, signing officers are expected to consider the possible precedent that such an agreement could set and seek advice from their supervisor or the Director of Finance.

### D. DEFINITIONS

#### AGREEMENT

An arrangement between two or more persons (individuals, corporations, trusts or partnerships, employee union or association) by which the persons agree to undertake or to alter their respective rights and/or obligations. An agreement may be oral or in writing, or partly oral and partly in writing. An agreement is defined as a legally binding commitment, and includes, but is not limited to, revenue-generating or expenditure contracts, memoranda of understanding, licenses, letters of agreement, letters of intent, purchase agreements, invoices, affiliation agreements, and service contracts.

#### BUDGET OFFICER

A position that is responsible and accountable to the College for their respective budget allocation.

#### CONTINGENT LIABILITY

A liability that exists but which may not have to be fulfilled; a liability which will become an obligation upon the occurrence of a future, uncertain event. This also includes a liability to perform the obligation of another person if that other person fails to perform it.

#### CONTRACT

An agreement, in writing, between two or more parties intended to create legal obligations and that a court may enforce. The contract will normally be comprised of an exchange of promises between the parties. If a party executes an agreement under seal, it may be bound even though the other party has not given any promise in exchange.

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A contract may be subject to conditions; that is, the parties' obligations to perform it may be suspended pending the occurrence of certain events, including further approvals, whether by third parties or officials of the parties to the contract whose authority is greater than that of the individuals who signed the contract.

### GUARANTEE

A promise, normally expressed in writing, by which the person making the promise agrees to fulfill the obligations of another person. The promise is frequently conditional upon the occurrence of another event; for example, the failure or refusal of the other person to fulfill their obligations, the inability of the other person to fulfill their obligations (due to bankruptcy, dissolution or otherwise), or the occurrence of a particular event. A guarantee is one type of indemnity. Signing officers who are unsure whether a particular commitment constitutes a guarantee should consult the Director of Finance.

### INDEMNITY

Involves a commitment under which a person undertakes to prevent a loss or to provide reimbursement or compensation in the event of a loss; the obligation under the agreement could be, but need not be, dependent upon default by the indemnifying party or anyone else. The obligations under an indemnity may be a contingent liability of the party that has given the commitment. Signing officers who are unsure whether a particular commitment constitutes an indemnity should consult the Director of Finance.

### OVERHEAD

The contribution to the College for services rendered that do not directly relate to the activity but is a component of the costs of its successful delivery.

### SIGNING AUTHORITY

A representative of the College vested with the authority to commit the College to a binding agreement.

### SIGNING OFFICER

This term is identical to "Signing Authority" above except that the term "Signing Officer" will be used, within this Policy and Procedures, to refer only to those instances where the term is required by a third party such as a bank.

### SPENDING AUTHORITY

*Spending authority* is the authority to make decisions with regard to spending. Spending authority is distinct from *signing authority*, which is the authority to sign documents on behalf of the College, making commitments to other parties. Spending authority alone does not imply signing authority.

## E. RELATED POLICIES

9050: Contracts

9100: Contracts and Other Self-Funding Activities

9200: Acquisition of Goods and Services

### Responsibility, Recommendation and Approval Dates

**Executive Responsibility:** Vice President College Services & CFO

**Administrative Responsibility:** Director of Finance

**Recommended by Policy Review Committee:** 2018-12-12

**Recommended/Approved by Education Council:** na

**Approved by President:** 2019-01-01

**Linkage to Board Policy:** BPR-20, BPR-10, EL-80, EL-80, EL-90, EL-30