



## FINANCE POLICY SIGNING AUTHORITY (Chart Attached)

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**EFFECTIVE:** November 1980  
**REVIEWED:** January 2014  
**REVISED:** January 2014  
**RELATED POLICIES:** [Purchasing](#), [Disbursement of Funds](#)

### POLICY

The procedures involved to maintain proper financial controls over expenditures, within an organization as complex and diversified as Northern Lights College, require many levels of participation as well as a formal review step.

### DELEGATION OF FINANCIAL AUTHORITY

The College obtains general financial authority from the College and Institute Act, where the College Board is given power to "administer funds, grants, fees, endowments and other assets of the institution".

The Chief Financial Officer in cooperation with the President, assigns responsibilities for the control of expenditures to Budget Managers, and the designates.

### PRINCIPLES OF DELEGATION

Delegation of financial authority to College personnel is intended to facilitate the spending of funds necessary to operate the authorized programs and support services. Funds must be spent only for the purposes assigned and financial authority carries with it the responsibility to ensure that all the related managerial and financial controls are effectively enforced.

### TYPES OF FINANCIAL AUTHORITY

There are several types/levels of financial authority, the main one being **spending authority** and it is the only authority that is delegated to the College campuses.

Prior to any commitment becoming a legal liability to the College, a purchase order must be issued by the College. Each Budget Manager is authorized to issue purchase orders up to a maximum of \$50,000. (See - Purchasing)

The final financial authority is that of **payment authority** and this rests with Budget Managers and Financial Services jointly. It is the approval to issue a voucher or cheque against the College's funds.

### SPENDING AUTHORITY

Spending Authority is requested by the Budget Managers as per the attached Signing Authority Chart. In requesting delegations of spending authority the following items should be considered:

1. The Budget Manager has ultimate responsibility for all funds entrusted to his/her campus, program area, or department and this **responsibility cannot be shifted through delegation**;
2. Spending authority is delegated to individuals and may not be re-delegated by that individual. The authority is issued to the position, however, temporary replacements do not automatically take over a spending authority;
3. The lowest level of delegation shall be to employees occupying positions at the supervisory or professional level;
4. The authorities of a position, on an acting basis, are not to be exercised by an individual unless the Budget Manager agrees in writing and is authorized by Regional.
5. **Individuals cannot authorize expenditures to themselves** and must apply to the next higher level for this authorization;
6. All individuals who have been given spending authority must be familiar with and follow those procedures as outlined in the "Disbursement of Funds" policy.

#### SIGNING AUTHORITY

Contracts and agreements binding the College can only be executed by the President, Vice President Academic and Research, Vice President Corporate Services, or the Chief Financial Officer.