

Spend Authority Procedures

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Objectives

To outline BCIT’s process of granting Spend Authority and describe the responsibilities of those to whom it is granted, with the aim of ensuring that Expenditures:

- are necessary in conducting BCIT business,
- comply with BCIT policies and procedures and, where applicable, external funding donor terms and conditions, and
- avoid any potential or perceived conflict of interest.

Who This Procedure Applies To

This Procedure applies to the Board of Governors and BCIT employees.

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Definitions

The following definitions apply to the Policy and these associated procedures.

Allocated Spend Limit: the maximum amount per Single Transaction that an Employee with Spend Authority is able to approve.

Annual Budget: the annual budget approved by the Board of Governors for expenditures related to BCIT.

Board of Governors: refers to the BCIT Board of Governors.

Budget: the amount of funds allocated to a functional area such as Board of Governors approved business cases, Annual Budget as allocated by the President, and restricted funds.

CFO: the Chief Financial Officer and Vice-President, Administration.

Contract Authority: the authority to execute Contracts on behalf of BCIT. It is distinct from Spend Authority.

Contract: a written agreement between two or more parties creating legally enforceable obligations.

Employee: means a BCIT employee.

Expenditure: a payment of funds, or an obligation to pay funds, made on behalf of BCIT.

Executive Committee Member: means all Vice-Presidents who report directly to the President.

Signature: a handwritten or electronically affixed name signifying the exercise of Contract Authority or Spend Authority.

Signing Authority: the authority, encompassing Contract Authority and Spend Authority, delegated to persons within BCIT by virtue of their position.

Single Transaction: the Purchase Requisition or invoice value before applicable taxes.

Spend Authority: is the authority to approve Expenditures. It is distinct from Contract Authority.

Procedures

1. Granting Spend Authority

The Board of Governors has assigned the President Signing Authority comprised of both Contract Authority and Spend Authority up to the limits set out in Schedules A and B to Policy 2502, Signing Authority.

The President has assigned Spend Authority to the Executive Committee Members by virtue of their position with BCIT up to the Allocated Spend Limit as set out in Schedule B to Policy 2502, Signing Authority.

- 1.1. The Executive Committee Members may further assign Spend Authority to Employees in their functional areas up to the Employees' Allocated Spend Limit as set out in Schedule B to Policy 2502, Signing Authority.
- 1.2. For an Executive Committee Member to grant an Employee Spend Authority, a prescribed form [insert name of form and add link] must be completed, signed off by the President or the Executive Committee Member who has accountability for the associated functional area, and submitted to Financial Services.
- 1.3. On an exceptional basis, for a particular project, the Board of Governors may grant the President or CFO a higher Allocated Spend Limit than set out in Schedule B to Policy 2502, Signing Authority. This is to allow for effective management and timely sign-off on vendor invoices for large projects.
- 1.4. With a valid business reason, the President may approve an Allocated Spend Limit that exceeds the Employee's Allocated Spend Limit, but not to exceed the Allocated Spend Limit of the CFO.

2. Spend Authority Approvals

- 2.1. Approval of the Annual Budget and Business Cases by the Board of Governors grants authority to the President to make Expenditures up to the approved amounts subject to the Allocated Spend Limit.
- 2.2. The President allocates the Budget to certain functional areas that are assigned to the Executive Committee Members.
- 2.3. Spend Authority is restricted to the Executive Committee Members and their reporting Employees who have been assigned Spend Authority. Spend Authority must be granted through the prescribed process in section 1.1 to 1.4 above.
- 2.4. Employees assigned Spend Authority may approve Purchase Requisitions and invoices

charged to their functional area to acquire goods and services within the limits of their Allocated Spend Limit, Approved Budget, and applicable Contractual terms.

- 2.5. Employees responsible for restricted funds, such as research and specific purpose funds, are authorized to make Expenditures within the amounts and scope of the funding received or receivable subject to the Allocated Spend Limits set out in Schedule B to Policy 2502, Signing Authority.
- 2.6. Subject to Section 2.7 below, an Expenditure is approved when a Spend Authority has affixed their Signature (electronic or manual).
- 2.7. Before a Spend Authority approves an Expenditure, they must be assured:
 - a. the Expenditure is necessary to carry on BCIT business;
 - b. the Expenditure complies with BCIT policies and procedures, including any external funding or donor terms and conditions;
 - c. there are sufficient uncommitted funds existing in the assigned Budget to cover the Expenditure and any known associated obligations; and
 - d. all goods and services relative to the Expenditure are consistent with the underlying Contract terms.
- 2.8. Limits on Expenditures apply to the total amount of a transaction before taxes. **Limits cannot be bypassed by altering or subdividing Purchase Requisitions/Purchase Orders, payments, invoices, or contracts into smaller amounts or by similar means.**
- 2.9. Employees may not approve transactions in which they have a potential or perceived conflict of interest, including conferring a benefit on themselves, their family members, or related parties. Such transactions must be approved by the Employee's supervisor. If there is uncertainty regarding whether a conflict of interest exists, it should be assumed to exist unless otherwise resolved in accordance with Policy 1500, Code of Conduct.
- 2.10. Limits on the CFO's or their delegate's Spend Authority do not apply to regulatory payments or payroll remittances.
- 2.11. The President, CFO, and Financial Controller may approve invoices in any functional area up to their Allocated Spend Limit as set out in Schedule B to Policy 2502, Signing Authority.

Forms Associated with This Procedure

Online - <https://loop.bcit.ca/docs/DOC-11024>

Amendment History

		<u>Approval Date</u>	<u>Status</u>
Created:	Procedure 2502-PR2 version 1	2023 Dec 05	In Force

Scheduled Review Date

2026 DEC 05

Allocated Spend Limit Tables

Employees granted Spend Authority can authorize Expenditures for single transactions up to the Spend Dollar Limits below, unless otherwise approved by the Board of Governors. Single transactions exceeding an individual's Authority require the supervisor's approval.

Expenditures (except Capital Construction and Development)	
Spend Dollar Limit	Position
Over \$1,000,000	Board of Governors
Up to \$1,000,000	President
Up to \$600,000	CFO
Up to \$400,000	Vice-President
Up to \$300,000	Associate Vice-President
Up to \$100,000	Dean/Director*
Up to \$50,000	Associate Dean/Associate Director
Up to \$25,000	Manager
Up to \$5,000	Foreman/Program Head/Supervisor/Coordinator

**Directors includes Executive Directors, the Registrar, and the Financial Controller*

Capital Construction & Development Expenditures (applies only to Capital Planning and Facilities Positions)	
Spend Dollar Limit	Position
Over \$3,000,000	Board of Governors
Up to \$3,000,000	President
Up to \$1,500,000	CFO
Up to \$1,000,000	Associate Vice-President
Up to \$500,000	Director
Up to \$250,000	Associate Director/Senior Project Manager
Up to \$50,000	Project Manager