

DIVISION: FINANCE**POLICY #: FIN-FM400****POLICY NAME**

SIGNING AUTHORITY

POLICY STATEMENT

Where the Newfoundland and Labrador English School Board has been granted authority for the execution of any contracts, agreements, documents or written instruments related to the business of the District, they will be signed by the Chairperson of the Board and one other member of the Executive Committee of the Board, except as outlined below; and other than as set out in the *Schools Act, 1997* all such contracts, agreements, documents or written instruments will be binding upon the District without further authorization or formality.

BACKGROUND

The Newfoundland and Labrador English School Board operates within the authority granted under the *Schools Act, 1997*. The Board has the authority to govern the business and affairs of the District. The purpose of this policy is to:

- outline the responsibilities of those individuals who have authority to conduct business on behalf of the District, and
- outline the conditions under which signing authority is delegated.

SCOPE

This policy applies to all contracts, agreements, documents or written instruments of the District under the jurisdiction of the Board.

DEFINITIONS***CONTRACTS, AGREEMENTS, DOCUMENTS OR WRITTEN INSTRUMENTS***

The term “contracts, agreements, documents or written instruments” as used herein will include deeds, mortgages, charges, conveyances, transfers or assignment of real or personal property, immovable or movable, agreements, leases, releases or discharges

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for payment of money or other obligations, debentures, by-laws or other securities and all paper writing intended to be binding upon the Board.

POLICY DIRECTIVES

1) Corporate Seal

The seal of the Board when required will be affixed to contracts, agreements, documents or written instruments. The seal of the Board will be the responsibility of the Assistant Director of Education (Finance and Business Administration).

2) Cheque Signing

All cheques issued on the District's accounts will be signed by both the Director of Education and the Assistant Director of Education (Finance and Business Administration).

The District uses electronic signatures for signing of cheques and such signatures are embedded in the financial software. The custody, safeguarding and authorization for use of these signatures is the joint responsibility of the District Comptroller and the District Manager of Financial Operations. An alternate senior official may be designated as required by the Director of Education and the Assistant Director of Education (Finance and Business Administration). Individuals appointed custodians of the electronic signatures or authorized to use the signatures will not be permitted to authorize District purchases. Changes in the custodians of these signatures shall require a change of password. The custodians of the signatures shall ensure compliance with the *Board Liability* provisions of this policy as a condition of use of these signatures.

3) Banking Transaction Authority

The Director of Education and the Assistant Director of Education (Finance and Business Administration) shall from time to time authorize and approve persons to effect banking transactions.

Amendment of electronic transaction processing privileges or limits within the software of the District's bank shall be approved by both the Director of Education and the Assistant Director of Education (Finance and Business Administration).

4) Electronic Transfers

From time to time funds may be transferred out of, or between, the District's bank accounts for such business activities as direct deposit of employees' payroll, statutory remittances, pre-authorized debits, vendor payments and other treasury management requirements. Such transfers will be made under the authorization of both the District Comptroller and the District Manager of Financial Operations. The transfer of funds

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between accounts must be in accordance with the *Board Liability* provisions of this policy.

5) **Mechanical and facsimile signatures**

Each official authorized to sign cheques on behalf of the District is hereby authorized to make use of a mechanical or other device for the purpose of affixing to such cheques a facsimile of his/her signature instead of signing such cheques manually. Use of manual signature stamps is not permitted.

The District's bankers are authorized and directed to honor, pay and charge to the accounts of the District all instruments issued by the District and which are signed or bear facsimile or facsimiles of the signature or signatures of a person or persons having authority to sign cheques on behalf of the District, each of which instruments will be binding on the District whether it has been manually signed by such person or persons or signed using a facsimile or facsimiles or by electronic means.

6) **Copy of Policy**

A bank at which an account of the District is kept, will be furnished with a copy of this policy certified by the Chairperson under the District's seal and from time to time with specimens of facsimiles of the signatures of persons having authority to sign cheques and conduct banking transactions on behalf of the District.

7) **Delegation of Authority by the Director**

Except as provided hereunder, the Director of Education may from time to time delegate authority to sign various routine operating documents for purposes of conducting the day to day business of the District. Such documents typically include: documents related to human resources administration such as employment contracts; operating and maintenance contracts such as snow clearing, waste removal, energy management, and telecommunications; and, procurement of goods and services. Such delegated authority shall be exercised prudently and judiciously in accordance with the *Board Liability* provisions of this policy, and all other applicable District policy and procedure.

8) **Deeds and Other Non-Operating Documents**

All deeds and other similar documents shall be signed by both the Chairperson of the Board together with one other member of the Executive Committee of the Board – subject to Board approval and approval of the Minister of Education in accordance with s.76(1)(l) of the *Schools Act, 1997*. Documents of this type include deeds, conveyances, mortgages, debentures and other documents for the transfer or assignment of real and personal property, major long-term contracts or agreements. Such documents will not be binding upon the Board where the aforementioned approvals have not first been obtained.

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9) **Purchasing Authority**

All purchasing shall be carried out in accordance with the *Public Tender Act* and Regulations as amended from time to time. The Assistant Director of Education (Finance and Business Administration) is authorized to issue procedures governing purchasing authority within the confines of the *Public Tender Act* and Regulations, and budget limitations. This may include the further delegation of purchasing authority to other staff.

10) **Board Liability**

The District assumes no liability for any contracts, agreements, documents or written instruments purporting to be issued in the name of the District where such is not signed in accordance with this policy or in accordance with the requirements of the *Schools Act, 1997*.

The limits below do not include normal and bulk recurring payments or statutory payments, including payroll deductions. The upper limits for any financial commitment of the Board within the respective area of responsibility and within approved budget amounts and in accordance with tendering policy and procedures are:

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| Over \$150,000 | Prior approval of the Board and executed by both the Director of Education and the Assistant Director of Education (Finance and Business Administration), except capital project purchases formally approved by the Department of Education |
| \$50,001 up to and including \$150,000 | the Assistant Director of Education (Finance and Business Administration) AND the Director of Procurement and Business Services |
| \$10,001 up to and including \$50,000 | Either the Assistant Director of Education (Finance and Business Administration) OR the Director of Procurement and Business Services |
| Up to and including \$10,000 | Authority may be delegated to other individuals for specific limits by the Assistant Director of Education (Finance and Business Administration) |

The Director of Education is authorized to prepare and sign extracts from the Board Minutes for any required legal or other purposes, certified under the seal of the Board, or any other document specifying the Director of Education as one of the Signatories. The Assistant Director of Education (Finance and Business Administration) or his/her designated representative is authorized to issue purchase orders for all goods and services for which funds have been authorized by the Board, in accordance with this policy where required.

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11) **Real Estate Transactions**

Any contract or agreement involving the real property of the Board such as land sales, transfers, leases, acquisitions, options, or easements will only be executed by proper signing officers as designated, subject to approval by the Minister of Education if required in accordance with the *Schools Act 1997*.

12) **Transportation**

Authority is given to the Assistant Director of Education (Operations) to execute contracts for pupil transportation services that have received formal approval of the Department of Education.

13) **Borrowing and Credit**

The Director of Education and the Assistant Director of Education (Finance and Business Administration) are authorized to sign and execute borrowings and capital leases and raise credit for District purposes only where approval has been granted by the Board, and approval has been granted by the Minister of Education in accordance with s.76(1)(k) of the *Schools Act 1997*.

14) **School Controlled Funds**

The administrators (principal and vice-principal) at each school are authorized to maintain school controlled bank accounts for purposes of conducting the day to day business affairs of the school. All cheques issued on a school's account(s) shall require dual signature, one of which must be the principal or vice-principal, and the other being a member of the school staff that does not maintain the financial records of the school. Such delegated authority shall be exercised prudently and judiciously in accordance with District policy and procedure.

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