

Town of Truro – Policy & Procedure Manual

Subject: Spending Authority for Town Funds Policy
Policy Number: P100-027
Approval Date: February 5, 2018
Departments: All Departments

PURPOSE

1. The purpose of this policy is to outline the responsibilities of Town employees who have the authority to commit and spend funds from the Town.

It is the responsibility of the Town to ensure that all policies, procedures and regulations of granting agencies are followed, that funds are well managed and used effectively, efficiently and economically, and expectation for financial accountability and integrity are clearly communicated.

Payment shall not be made to vendors until proper spending approval has been received.

This policy does not apply to signing authority for external contracts for the Town.

DEFINITIONS

2. Departmental Director – the person responsible to authorize and approve expenditures and commitments within their approved departmental budgets.

Delegate – the individual authorized by the Departmental Director to approve commitments and expenditures within the Departmental Director's approved budgets.

POLICY

3. The Spending Authority Policy applies to all financial transactions including, but not limited to:
 - Cheque requisitions;
 - Invoices/credit memos;
 - Petty cash;
 - Purchase requisitions;
 - Expense claims

This policy does not apply to the spending authority granted through the Purchasing Card Policy.

The Chief Administrative Officer has spending authority for the overall Town budget and may approve all Town expenditures as long as the expenditures have been approved by Town Council.

The Chief Administrative Officer has the authority to approve expenditures in excess of the approved Town budget to a maximum of \$10,000. Any expenditures over the amount of \$10,000, outside of the approved budget, must first be approved through a motion of Council before spending authority will be accepted.

The Departmental Director is responsible for committing and spending Town funds within their departmental budget in accordance with the Town's overall approved budget.

The Departmental Director is the only individual authorized to approve amounts **exceeding \$25,000** within their departmental budget. Should circumstances arise where the Departmental Director is not available, the Chief Administrative Officer can authorize such transactions.

The Departmental Director may choose to delegate others (the "Delegate") to sign on their behalf for commitments and expenditures from within their departmental budget. This delegation is limited to amounts of **\$25,000 or less per transaction**. The Delegate has no power to delegate to someone else.

The Finance Manager is to approve any credit notes or cash/cheque returns from a vendor prior to processing to ensure the vendor account in accurate and payables processing procedures are being followed.

All tendered purchases are to be approved by both the Departmental Director and the Purchasing Officer of the Town to ensure the purchase meets all agreed upon terms and conditions for spending approval.

The Departmental Director and any Delegate shall:

- a) Ensure that funds are used for the purpose for which they were intended;
- b) Verify receipt of goods or services;
- c) Ensure the request for payment is accurate;
- d) Provide a proper description of the good or service and/or provide the proper general ledger account number and provide signature authorization. A signature stamp is not acceptable; however, approval through email, as per procedure defined by the Corporate Services department, may be acceptable under emergency circumstances;

- e) Ensure there is appropriate supporting documentation to comply with public/private spending guidelines;
- f) Where the delegate is also the vendor for reimbursement (e.g. travel), such reimbursement must be approved by the Departmental Director or Chief Administrative Officer;
- g) Where the Departmental Director is also the vendor for reimbursement (e.g. travel), such reimbursement must be approved by the Chief Administrative Officer or the Director of Corporate Services. Any reimbursement for the Director of Corporate Services must be approved by the Chief Administrative Officer or their delegate. No Director may approve their own reimbursement;
- h) Ensure that current expenditures will not result in other significant costs and obligations to the Town (e.g. maintenance, utilities, etc.).

The delegation of spending authority does not relieve the Departmental Director from accountability for compliance with policy.

Specimen signatures of Departmental Directors and Delegates are held for audit purposes by the Department of Corporate Services with a copy in each department.

The Town reserves the right to withdraw spending authority delegation privileges for non-compliance with this policy. Noncompliance of this policy could lead to further disciplinary action.

The Departmental Director is responsible to review all charges to his/her budget and report any authorized charges immediately to the Corporate Services Director and the Chief Administrative Officer.

PROCEDURES

4. Establishing Spending Authority

The Departmental Director must complete a Spending Authority Authorization Form (Appendix A) which must be approved by the Chief Administrative Officer.

Only the Departmental Director and/or the Chief Administrative Officer can authorize, modify or revoke spending authority delegation for the departmental budget under his/her responsibility.

Delegation of Spending Authority

A Departmental Director may elect to delegate his/her spending authority for financial transactions to another individual. In order to delegate spending authority, the delegate must also complete a Spending Authority Authorization Form, which must be approved by the Departmental Director.

Delegation of spending authority is complete only when a specimen signature is received by the Department of Corporate Services.

Spending Authority shall only be delegated to individuals employed by the Town.

If the Departmental Director changes, the new Departmental Director is responsible to review delegation and make necessary changes.

Revoking Delegation of Spending Authority

The Departmental Director may revoke the delegation of spending authority by completing a Spending Authority Removal Form (Appendix B).

Appendix A
Town of Truro
Spending Authority Authorization Form

I hereby accept responsibility as spending authority for budgetary funds within my approved departmental budget under the authority of my Departmental Director.

I have an appropriate level of knowledge of the applicable Town policies, and externally imposed conditions, regulations, and guidelines. Specifically, I have read and understand the Town's Spending Authority for Town Funds Policy and I agree to abide by it.

Departmental Director

Delegate

Chief Administrative Officer

Appendix B
Town of Truro
Spending Authority Authorization Form

I hereby revoke delegate spending authority for _____.
(delegate's name)

Departmental Director

**Spending Authority
List of Authorized Approvers**

Chief Administrative Officer

Departmental Directors

Director of Transportation and Public Works

Director of Corporate Services

Director of Planning and Development

Director of Parks, Recreation and Culture

Police Chief

Fire Chief

Delegates

Director of Transportation and Public Works

- Senior Engineer
- Fleet Supervisor (only items directly related to Fleet Operations)
- Water Treatment Plant Manager (Water Treatment Plant Expenses Only)

Director of Corporate Services

- Finance Manager

Director of Planning and Development

- Planning & Development, Officer Manager

Director of Parks, Recreation and Culture

- Assistant Director, Parks, Recreation and Culture

Police Chief

- Deputy Chief of Police