

Corporate Policy

Finance-Purchasing

Signing Authority

Approved by Council on: October 14, 1997

Report Number: F-48-97 (CC-369-97); F-82-04 (CS-72-08)

Effective: October 14, 1997

Reviewed on: March 30, 2012; December 12, 2017; December 10, 2021

Amended: April 11, 2005

Next Review: 2024

Note:

Purpose:

The payment authorization limits policy defines payment authorization levels delegated to staff.

Policy Statement:

Payment authorization by staff is required on various transactions (e.g. purchase and cheque requisitions, invoices etc). For internal control purposes, an extensive listing of payment authorization limits for all staff is maintained by Finance.

a) **Minimum Payment Authority**

\$5,000 has been provided to all staff who are responsible for approval of various transactions such as purchase requisitions, cheque requisitions and invoices. Minimum payment authority is directly tied to the proposed upset limit for department initiated purchase orders.

b) **Maximum Payment Authority**

Maximum payment authority of \$50,000 is provided to departmental Managers and other staff based on specific job responsibilities. Certain special requirements may apply which are outlined below:

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\$100,000 to be provided to City Manager, Executive Directors, Chief Financial Officer, Chief Information Officer and Directors.

Maximum payment authority limits as per above apply to approval of contracts and agreements for both acquisitions and sales or revenue generation.

- **Unlimited Payment Authority**

The Chief Financial Officer and other Corporate Signing Officers for financial transactions approved by Council.

Special Requirements

Progress Payments

Progress payments are payments processed against a Council approved capital construction project. Given that much of the internal control resides in the actual contract approval, the recommended approval limits for progress payments are as follows:

Manager responsible for Capital Projects up to \$250,000

Director of Engineering Services or Director of Roads, Parks and Forestry up to \$350,000

City Manager, Executive Director of EICS or Chief Financial Officer – Unlimited

Specific Areas

Staff responsible for specific areas, such as the Coordinator of Financial Strategies & Business Consulting and the HR Administrator for Workplace Safety Insurance Board (WSIB) payments, are assigned approval limits of \$50,000.

Payments from Contingency

Payments from contingency – Legal – authorized by the City Solicitor with the Chief Financial Officer

Payments from contingency – HR – authorized by the Executive Director of

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Human Resources with the Chief Financial Officer

Payments from contingency – Other – City Manager with the Chief Financial Officer

Discretionary

At the discretion of the Director other signing limits may be approved with in an overall departmental range of \$5,000 to \$50,000.

Scope:

This payment authorization excludes expense reports and purchase card statements. Expense reports and purchase card statements must have the approval of the supervisor. In the case of senior management, the approvals recommended are as follows:

Mayor and Council by City Manager or Chief Financial Officer

City Manager by Chief Financial Officer

Directors by City Manager or Executive Director

Objectives:

The payment authorization limits policy provides internal control over delegated authority to staff for payment authorization.

References:

The Municipal Act

Delegated Authority By-Law XX-XXXX

Procurement By-law XX-XXXX

Roles:

Accountable:

The Coordinator of Accounting Services is answerable for the timely review, updating and dissemination of the policy in the functional area.

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Responsible:

Accounts Payable Clerks