



# Procedure

Procedure Name	<b><i>Delegation of Authority – Financial</i></b>		
Procedure #	GE 3.01	Parent Policy	GE 3.0 Delegation of Authority
Policy Owner	Board of Governors	Effective Date	March 8, 2023
Procedure Owner	Associate Vice President Finance and Corporate Services	Next Review Date	March 7, 2028
Approved by	Board of Governors	Approval Date	March 7, 2023

## 1.0 Purpose/ Background

- 1.1 As a publicly funded and accountable organization, NAIT must ensure that all actions are taken in a prudent and fiscally responsible manner to ensure the continued excellent reputation and goodwill of the institute.
- 1.2 These procedures provide direction regarding the delegation of authority to ensure appropriate action is taken by the appropriate individual fulfilling the position to which authority has been delegated in compliance with related NAIT policies and procedures (and guidelines that are in place until such time as they have been retired and replaced with policy and procedure).

## 2.0 General Principles

- 2.1 Designated individuals who have received authority to sign agreements or contracts on behalf of NAIT need to ensure the agreement or contract is approved, negotiated, reviewed or prepared in accordance with the related policies and guidelines and that the Institute is reasonably able to meet the obligations and commitments outlined in the terms and conditions of the agreement or contract.
- 2.2 The hiring of an employee involves the participation with Human Resources in accordance with stated hiring practices within Policy HR.4.0 and related Procedures (and related Guidelines at such time as those documents remain in effect).
- 2.3 A series of reasonably related transactions should be considered as a single transaction for the purpose of determining required delegated authority levels. Under no circumstances shall a single requirement be divided into multiple transactions or be reduced in term or scope with the intent or result of altering (lowering) the delegated authority level to approve the requirement.
- 2.4 Authority may be temporarily delegated during the temporary absence of an individual with permanent authority. Authority shall only be temporarily delegated to a position occupied by an individual who has involvement with the activity being conducted and sufficient knowledge of NAIT policies, rules, legislation, regulations and procedures to ensure compliance and where possible be within delegator's

reporting structure.

- 2.5 An individual receiving temporarily delegated authority must be aware of the risk associated with any decision and make decisions accordingly.
- 2.6 An individual delegating responsibility cannot delegate accountability.
- 2.7 Delegated individuals are responsible for ensuring the commitment, transaction or authorization for collection or disbursement of funds is for valid institute business, in compliance with relevant policies and procedures,
- 2.8 Delegated individuals are accountable for their decisions which must be subject to good judgment and knowledge of the situation. Accountability is attested by physical or electronic signature.
- 2.9 In instances where the delegated authority stipulated within an agreement with an external agency differs from those of NAIT, the higher of the two authority levels will take precedence.

### 3.0 Definitions

Term	Definition
Delegate	To formally convey the power to act, make decisions and allocate resources on one's behalf to someone else.
Delegated Authority	A position that has been delegated authority to make commitments, approve transactions and authorize the collection and disbursement of funds on behalf of NAIT.
Delegator	A person who is delegating their authority.
Designated Individuals	Institute employees with delegated authority in accordance with Policy and this Procedure.
Employee	An individual active on NAIT's enterprise payroll system
Peer	An individual with a similar title, position, responsibilities and knowledge of business.
Permanent Authority	The permanent delegation of authority to designated individuals under the Delegation of Authority Policy.
Temporary Authority	The temporary conveyance of authority from one Institute employee to another Institute employee as a result of temporary absence.
Up one Level	A position to which the delegator or their manager reports.

### 4.0 Procedures

- 4.1 Prior to exercising delegated authority in relation to disbursement of funds, designated individuals shall ensure:
  - 4.1.1 They are aware of the related risks of the decision and are authorizing a disbursement compliant with the related policy/procedure;
  - 4.1.2 Expenditures are reasonable, appropriate, and in accordance with a written contract or purchase order where required;
  - 4.1.3 Clearly indicate the General Ledger coding, for which the person has

- budget responsibility, as to where the disbursement is to be charged;
- 4.1.4 Expenditures are necessary in order to achieve program or administrative goals and appropriate explanations for the expenditures has been obtained;
  - 4.1.5 Supporting documentation such as invoice, receipt, or bill of sale is available to support the disbursement and the goods or services have been received;
- 4.2 Prior to exercising delegated authority in relation to collection of funds, designated individuals shall ensure:
- 4.2.1 They are aware of the related risks of the decision and are authorizing a collection compliant with the related policy/procedure.
  - 4.2.2 The goods or service the collection of funds obligates NAIT to provide is within the mandate of the receiving department.
  - 4.2.3 Clearly indicate the General Ledger coding, for which the person has responsibility, as to where the funds collected are to be recognized.
  - 4.2.4 The funds to be collected are reasonable, appropriate, and in accordance with a written contract, purchase order, or published rates.
- 4.3 In exercising delegated authority designated individuals shall ensure compliance with relevant policies and procedures.
- 4.4 The delegation of temporary authority shall be documented, and where practical, prior to the delegator's absence. If there is no direct report to delegate to, then delegation shall be up one level or to a peer.
- 4.5 Temporarily delegated authorization must be communicated in printable form, preferably by email, to the service areas directly impacted by sending an email to [delegation@nait.ca](mailto:delegation@nait.ca).
- 4.6 Service areas, such as but not limited to, Human Resources, Payroll, Accounts Payable, Accounts Receivable, Purchasing, and General Counsel Services are responsible for verifying the temporary delegated authorization.
- 4.7 The *NAIT Signing Authorization Matrix*, provides a quick reference on authorization levels in relation to resource decisions common across the various sectors of NAIT, including noting the applicable Policy and Procedure (or Guideline at such time as that document remains in affect) which will provide more thorough guidance.
- 4.8 Where an authorization decision is not specifically stated in the *NAIT Signing Authority Matrix* the decision-maker must refer to the specific Policy and Procedure (or Guideline at such time as those documents remain in affect) for appropriate direction on authorization levels.

## **5.0 Exceptions to the Procedure**

- 5.1 Exceptions to this procedure must be documented and formally approved by the Policy Lead.
- 5.2 Procedure exceptions must include:
  - The nature of the exception
  - A reasonable explanation for why the procedure exception is required

- Confirmation that the exception aligns with the general principles
- Any risks created by the procedure exception and how they will be managed.

**6.0 Related Documentation**

[GE 3.0 Delegation of Authority Policy](#)

[Appendix A: NAIT Signing Authority Matrix](#)

[Appendix B : NAIT Signing Authority Matrix – Facilities Management and Development](#)

Contract Checklists – Expenditure, Revenue and Other (TBD)

Summary of NAIT Procurement Methods (TBD)

***Document History***

<i>Date</i>	<i>Action/ Change</i>
<i>August 27, 2021</i>	<i>Added hyperlinks in 6.0</i>
<i>March 7, 2023</i>	<i>Review complete; Minor wording changes and Board of Governors approval</i>