



# Bylaw Number 5

## Bylaw Concerning Financial Management of the College



This Bylaw was adopted for the first time by Board of Governors resolution number 1457 on March 26 1993 and subsequently amended by resolutions:

1499	December 8, 1993
1569	March 1, 1995
1616	December 13, 1995
2065	April 25, 2003
2577	May 19, 2010
2697	May 9, 2012
2953	March 18, 2016

Amended articles are indicated by resolution number of the amendment appearing at the end of the article.

## Table of Contents

<b>Article 1 General Provisions .....</b>	<b>3</b>
1.1 Designation.....	3
1.2 Purpose.....	3
1.3 Definitions .....	3
1.4 Legislative and Regulatory Context .....	4
1.5 General Principles.....	4
<b>Article 2 Responsibility.....</b>	<b>4</b>
<b>Article 3 Budget .....</b>	<b>5</b>
3.1 General Principles.....	5
3.2 Operating Budget - Transfers .....	5
3.3 Capital Budget - Transfers .....	5
<b>Article 4 Approval of Financial Transactions .....</b>	<b>5</b>
4.1 General Principles.....	5
4.2 Expenditures.....	6
4.3 Offer for the Sale of Services.....	7
4.4 Transactions as a Trustee .....	7
<b>Article 5 Signing Authority for Financial Contracts.....</b>	<b>8</b>
<b>Article 6 Cash Management .....</b>	<b>8</b>
6.1 Disbursements.....	8
6.2 Collection of Payments.....	8
6.3 Choice of Institution .....	8
6.4 Bank Borrowings.....	9
6.5 Issuance of Bonds.....	9
6.6 Term Deposits.....	9
6.7 Requests for Reimbursement and Other Government Financial Documents.....	9
<b>Article 7 Accumulated Surplus.....</b>	<b>9</b>
<b>Article 8 Financial Statements and Annual Audit .....</b>	<b>9</b>
8.1 Financial Statements .....	9
8.2 Annual Audit.....	10
<b>Article 9 Provisions in Case of Absence or Emergency .....</b>	<b>10</b>
<b>Appendix 1: Approval Authority.....</b>	<b>11</b>
<b>Appendix 2: Signing Authority for Financial Contracts .....</b>	<b>12</b>

## Article 1 General Provisions

### 1.1 Designation

The title of the present bylaw is “Bylaw Concerning Financial Management of the College” and is designated as Bylaw Number 5 (referred to as Bylaw 5 for the purpose of this text).

### 1.2 Purpose

The purpose of this bylaw is to ensure strong financial management, reporting, and accountability for prudent stewardship of public resources.

### 1.3 Definitions

The definitions set forth in Bylaw Number 1 (Bylaw Concerning the General Administration of the College) and Bylaw Number 4 (Bylaw Concerning the Human Resource Management of the College) apply to Bylaw 5.

Definitions determined by the Colleges Act or any of its regulations take precedence over any such definitions:

- **Accountability:** Acceptance of responsibility for one’s actions and decisions and the resulting consequences.
- **Approval Authority:** College’s employee who has been delegated, by the Executive Committee, the authority to approve purchases of goods and services.
- **Budget:** Document of projected revenues and expenses for the coming financial year and shall be prepared on the basis of a provisional allocation from the Ministry.
- **Budgetary Responsibility:** College’s employee who has been assigned budget responsibility.
- **Capital Fund:** Fund regrouping capital assets and long term liabilities related to these assets.
- **Cash Management:** Refers to the prudent and efficient management of collections, disbursements, investments, and debt management of College funds.
- **Fund:** Refers to the method of accounting, namely fund accounting. The College has two funds: Operating and Capital Funds.
- **Internal Control:** Mechanisms established by the College to minimize financial risk.
- **Operating Fund:** Fund regrouping the operations of the College by sector: Regular Day, Continuing Education, and Self-Financed Services.
- **Signing Authority:** College’s employee, to whom authority to sign a financial contract on behalf of the College, has been delegated.

## 1.4 Legislative and Regulatory Context

The present bylaw is subjected to:

- *Loi sur les collèges d'enseignement général et professionnel*
- *Loi concernant les contrats avec les organismes publics*
- *Régime budgétaire et financier des collèges d'enseignement général et professionnel*
- Accounting Norms for Public Organizations
- Bylaws and policies of the College

## 1.5 General Principles

- The College shall ensure sound financial management of public funds based on reliable information, transparency and accountability.
- The College shall establish and maintain an effective system of internal controls to reduce financial risk and provide reasonable assurance that:
  - The College complies with laws, regulations, and policies;
  - Financial information is reliable, provides transparency, and accountability;
  - The College's operations are effective.
- As a public organization, all financial transactions shall be managed in accordance with the accounting standards for public sector and through the College's financial system.

## Article 2 Responsibility

- The Board of Governors accounts for the College's financial management by adopting the annual financial statements and the budgets.
- The Audit Committee is responsible for overseeing the financial reporting process, the audit process, and the system of internal controls, in compliance with laws and regulations.
- Pursuant to Articles 4.06 and 4.10 of Bylaw 1 (Bylaw Concerning the General Administration of the College), the Director General and the Director of Financial Services shall be responsible for the control and coordination of the overall financial operations of the College.
- Subject to the preceding paragraph, financial management of each location is the responsibility of the senior College officer at that location.
- The Director of Human Resources is responsible for ensuring that payroll transactions comply with the collective agreements, working conditions, College policies, and Ministry requirements.

- Any transaction involving funds not provided for in the budgets nor specifically authorized in accordance with present Bylaw shall be the personal responsibility of any person who has incurred or allowed such transaction. The College shall not be obliged to honour resulting expense or commitment unless approved by a person duly authorized to do so by the Board of Governors or Executive Committee.

## **Article 3 Budget**

### **3.1 General Principles**

- After being adopted by the Board of Governors, the Operating and Capital budgets, for a financial year, shall be submitted to the Minister for approval in accordance with Article 26.1 of the Colleges Act.
- Budgetary transfers from the Capital Fund to the Operating Fund are not permitted.

### **3.2 Operating Budget - Transfers**

- Budgetary transfers may be made during a financial year provided if they do not exceed the overall approved budget.
- Budgetary transfers shall be authorized within the budget of a department or service by the individual designated as responsible for the budget.
- Budgetary transfers between more than one service or department shall be authorized by the Director, or the Director General in the case of College Administration.
- Budgetary transfers between locations shall be authorized by the Director of Financial Services and the Director General shall be so notified.

### **3.3 Capital Budget - Transfers**

- Budgetary transfers may be made during a financial year if they comply with all bylaws and Ministry directives in effect and are within the approved budget.
- Budgetary transfers between locations shall be authorized by the Director of Financial Services or the Director General on recommendation of the Director of Material Services.

## **Article 4 Approval of Financial Transactions**

### **4.1 General Principles**

- All financial transactions shall be administered under the supervision of the Director of Financial Services. The Director of Financial Services shall be informed of all financial transactions in order to control budgets and expenditures of the College.
- The Director of Financial Services may suspend any transaction which is not in accordance with the present Bylaw.

- Financial transactions shall be carried out and approved on prescribed forms which clearly identify the amount of the transaction, the approval authority and which bear the signature of the persons authorized to sign by virtue of the present Article.
- If a financial transaction requires the approval of the Board of Governors or the Executive Committee, the form used must state that the transaction complies with all applicable regulations of the government, the budgetary policy of the Ministry and Bylaw 5. The form must be signed by the Director General or the Director of Financial Services or by the person or persons qualified to replace them by virtue of Article 9 of Bylaw 5.

## 4.2 Expenditures

### 4.2.1 Approval Authority

- To ensure effective, efficient, and responsible stewardship of public resources, the College has delegated authority to approve College's expenditures (Appendix 1), with the exception of Articles 4.2.3 and 4.2.4.
- The delegation of approval authority shall be annually submitted to the Executive Committee, by the Director of Financial Services, which shall constitute the basis application of Bylaw 5.
- The delegation list shall specify the area of responsibility in relation to the budget as well as the names of those in charge of these areas of responsibility. During the year, the list may be modified and submitted to the Executive for approval.
- When approving an expenditure, the approval authority shall ensure that expenditures are eligible and are within the College budget.

### 4.2.2 Goods and Services

Any transaction concerning the purchase, rental or lease of goods and services and concerning the sale, disposal, and alienation of moveable assets shall:

- Be documented and negotiated in accordance with the College's Policy Respecting Procurement Contracts for Goods, Services, and Construction;
- Be approved in accordance with the approval authority (Appendix 1);
- Be within the limits of the approval authority's allocated budget adopted by the College. In exceptional circumstances, the Executive Committee may approve appropriate changes to permit the College location to continue operations.

### 4.2.3 Travel Expenses and Representation

Travel Expenses and Representation shall be reimbursed in accordance with the Policy Concerning Travel Expenses and Representation. Travel and Representation Expenses shall be approved by the individual in direct authority over the Claimant, the Finance Responsibility, the Campus Director,

and the Director of Financial Services. Travel and Representation Expenses incurred by the Director General shall be approved by the Chairman of the Board.

#### 4.2.4 Payroll and Hiring of Employees

- Any requisition for a cheque or other instrument of payment issued for salaries and payroll remittances must be authorized by the Director of Financial Services on the recommendation of the Director of Human Resource Services.
- The reconciliation of human resource dossiers contained in the “*Système des Personnels et Organismes des Collèges*” (SPOC), included in the annual financial statement, is the responsibility of the Director of Financial Services.
- The hiring of persons governed by the policies of the College concerning management personnel or any collective agreements to which the College is a party must be authorized in accordance with the provisions of Bylaw Number 4 (Bylaw Concerning Human Resource Management of the College).
- Persons, other than those referred to in the preceding paragraph, shall be hired only in accordance with the provisions of Article 4.2.2 of the present Bylaw.

#### 4.2.5 Other Expenditures

- Other type of expenditures, such as but not limited to donations, contributions, awards, and bursaries, shall be approved in accordance with the Article 4.2.1 of the present Bylaw.
- The approval authority shall ensure that the expenditure is within the limits of its allocated budget adopted by the College.

### 4.3 Offer for the Sale of Services

- All transactions concerning the sale of educational or other services must be in accordance with the budgetary regulations of the Ministry.
- The College has delegated authority to approve College’s offer for the sale of services. (Appendix 1).
- Any offer prepared for an external organization for the sale of educational services or other services shall be approved in accordance to the approval authority (see Appendix 1).
- When an offer for services is made, the payment of any deposit required as security must be authorized by the same authorities mandated to approve the offer itself.

### 4.4 Transactions as a Trustee

Notwithstanding Articles 4.1 to 4.3 inclusive of this Bylaw, the Director General may authorize any financial transaction that the College may be required to carry out in an official capacity as agent or trustee of a Ministry, agency or government body.

## Article 5 Signing Authority for Financial Contracts

- Only officers of the College can sign financial contracts that create an obligation or undertaking on behalf of the College (Appendix 2).
- Prior to signing a contract, the signing authority shall ensure that:
  - The contract complies with the legislations, College policies and Bylaws;
  - The signing authority does not exert any direct or indirect influence or derive any direct or indirect advantage of benefit by virtue of his/her position;
  - The College is able to meet its obligations within the terms of the contract;
  - The value of the contract, including the renewals and extensions, is in accordance with the College's budget;
  - The contract has been reviewed by Material Services prior to signing the contract.

## Article 6 Cash Management

### 6.1 Disbursements

- Any disbursement must comply with the requirements under the Tax Administration Act, in particular Article 31.
- Any instrument of disbursement shall be signed by the joint signatures of two (2) of the following: the Chairman of the Board, the Director General, the Director of Financial Services or any one of the foregoing jointly with a Director.
- Any requisition for a cheque or other instrument of payment issued to remit money collected on behalf of another entity, such as but not limited to student associations and foundations, shall be authorized by the Director of Financial Services on the recommendation of the Campus Director.

### 6.2 Collection of Payments

- All monies received or collected by or on behalf of the College shall be administered under the supervision of the Director of Financial Services.
- Each location is responsible for collecting and depositing payments in a timely manner, and ensuring proper recording through the College's financial system.

### 6.3 Choice of Institution

The Board shall determine by resolution one or more financial institutions at which the College may carry out its financial transactions.



## 6.4 Bank Borrowings

- Temporary bank borrowings made within the line of credit granted by the Ministry shall be authorized by the Director General or the Director of Financial Services.
- Pursuant to the Colleges Act, the authorization of the Board of Governors shall be required for any other type of borrowing.

## 6.5 Issuance of Bonds

Pursuant to the Act and Bylaw Number 1 (Bylaw Concerning the General Administration of the College), a call for tenders concerning the sale of bonds and the issuance of bonds shall require the authorization of the Executive Committee.

## 6.6 Term Deposits

- The Director of Financial Services may authorize term deposits for sixty (60) days or less and shall inform the Director General of any such investment.
- The Director General may authorize term deposits for more than sixty (60) days.

## 6.7 Requests for Reimbursement and Other Government Financial Documents

Requests for reimbursement of fees for the issuance or closing of bonds, trustee fees, credit charges and interest on loans, as well as other government financial documents, shall be signed by the Director General or the Director of Financial Services for and on behalf of the College.

## Article 7 Accumulated Surplus

- In general, the balance of accumulated surplus should be allocated to capital investments and special projects, such as but not limited, to pedagogical projects and innovative projects. A resolution shall be adopted by the Board of Governors to access the accumulated surplus.
- Accumulated surplus may also be used for operational contingencies.

## Article 8 Financial Statements and Annual Audit

### 8.1 Financial Statements

- In conformity with the Colleges Act Article 27, the financial year shall end on June 30th.
- At the end of each financial year, and according to deadlines established by the Ministry, the audited financial statements, and other related reports required by the Ministry, shall be reviewed by the Audit Committee and submitted to the Board of Governors for consideration. Upon adoption, the audited financial statements shall be subsequently submitted to the Ministry in accordance with regulations and procedures in effect.

- In addition to the annual financial statements, the College shall produce quarterly financial statements, according to deadlines established by the Treasury Board.
- The Director of Financial Services shall provide the Executive Committee, at least semi-annually, a report of the overall positions of the revenues and expenses of the College as well as the position of any line of credit approved by the Ministry.

## 8.2 Annual Audit

- Annually, the financial transactions and the annual financial statements of the College shall be examined by an independent auditor who is appointed by the Board of Governors from among the eligible members of the professional order of accountants governed by the Professional Code.
- The mandate given to the independent auditor shall comply with the provisions of the regulation of the Government relating to audits of financial statements of general and vocational Colleges.
- The Audit Committee shall advise the Board of Governors on the desirability of requesting the independent auditor to conduct special audit or other specific work and shall inform the Board of Governors of the particular nature of such special mandate.

## Article 9 Provisions in Case of Absence or Emergency

- If any of the persons designated in Bylaw 5, except the Director General, is absent or unable to act, such person's immediate superior shall be mandated to carry out, for and on his or her behalf, budgetary transfers, approvals of financial transactions, settlements of financial transactions and banking transactions that the said person is authorized to carry out.
- The Executive Committee may designate any other Officer to replace an Officer who is temporarily absent.
- If an emergency arises and all of the persons designated in Bylaw 5, for the approval of a given transaction, are absent, any two officers of the College acting jointly shall in such event be mandated to authorize such transaction and shall so advise the persons designated in writing as soon as possible.

## Appendix 1: Approval Authority

### a) For the Purchase of Goods and Services (except Capital Expenditures)

<b>Approval Authority</b>	<b>Required Approval</b>
Budgetary Responsibility	Up to \$2,499
Finance Responsibility	From \$2,500 to \$9,999
Director	From \$10,000 to \$19,999
Director of Financial Services	From \$20,000 to \$49,999
Director General	From \$50,000 to \$99,999
Executive Committee	From \$100,000 to \$249,999
Board of Governors	Over \$250,000

### b) For the Purchase of Capital Expenditures

<b>Approval Authority</b>	<b>Required Value</b>
Finance Responsibility	Up to \$9,999
Director	From \$10,000 to \$19,999
Director of Financial Services	From \$20,000 to \$49,999
Director General	From \$50,000 to \$99,999
Executive Committee	From \$100,000 to \$249,000
Board of Governors	Over \$250,000

### c) For the Offer for the Sale of Educational Services

<b>Approval Authority</b>	<b>Required Approval</b>
Budgetary Responsibility	Up to \$24,999
Director	From \$25,000 to \$149,999
Director of Studies	From \$150,000 to \$249,999
Director General	From \$250,000 to \$499,999
Executive Committee	Over \$500,000

### d) For the Offer for the Sale of Services Other than Educational Services

<b>Approval Authority</b>	<b>Required Value</b>
Budgetary Responsibility	Up to \$24,999
Director	From \$25,000 to \$99,999
Director General	From \$100,000 to \$249,999
Executive Committee	Over \$250,000

## Appendix 2: Signing Authority for Financial Contracts

### a) Contract for the Purchase of Goods and Services (except Self-Employed Worker)

<b>Signing Authority</b>	<b>Required Value</b>
Director	Up to \$9,999
Both Director and Director of Financial Services	From \$10,000 to \$24,999
Both Director of Financial Services and Director General	From \$25,000 to \$99,999
Executive Committee	From \$100,000 to \$249,999
Board of Governors	Over \$250,000

### b) Contract for the Hiring of a Self-Employed Worker or Consultant

<b>Signing Authority</b>	<b>Required Value</b>
Both a Director and Director of Financial Services	Up to \$9,999
Both Director General and Director of Financial Services	From \$10,000 to \$99,999
Executive Committee	From \$100,000 to \$249,999
Board of Governors	Over \$250,000

### c) Contract for the Sale of Educational or Other Services

<b>Signing Authority</b>	<b>Required Value</b>
Both Director and the Director of Financial Services	Up to \$25,000
Both Director of Financial Services and the Director General	Over \$25,000