



# Bylaw Number 5

Concerning

## The Financial Management of the College

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# BYLAW NUMBER 5

## CONCERNING

### THE FINANCIAL MANAGEMENT OF THE COLLEGE

*Relevant sections of the Colleges' Act appear in boxes and have been inserted for information purposes only. The number appearing in the box corresponds to the article number of the Act.*

#### Article 1 GENERAL PROVISIONS

##### 1.01 Definitions

The definitions set forth in clause 1.01 of Bylaw Number 1 apply to Bylaw Number 5. The following expressions mean:

- a) **'BUDGET'**: refers to a planning document which forecasts revenues and sets allocations for expenses;
- b) **'ADMINISTRATIVE DIRECTOR'**: all senior managers reporting directly to the Director General.

##### 1.02 Designation

The title of this bylaw is "Bylaw concerning the Financial Management of the College" and is designated Bylaw Number 5.

##### 1.03 Budgets and Funds

The **operating budget** covers operations expected to be completed within one year and shall be prepared on the basis of an initial allocation from the Ministry. Such budget may be revised during the year.

The **capital budget** covers capital expenditures. The normalized allocations are generated through formulas set by the Minister who also grants specific allocations from time to time.

The College has two funds: the **operating fund** and the **capital fund**. The **development fund** is a special part of the operating fund and is reserved by the College for specific purposes.

#### 1.04 Approval of Budget

26.1 Every College must adopt and forward to the Minister, on or before the date and in the form he determines, its operating, investment and debt service budget for the ensuing fiscal year.

In accordance with article 26.1 of the Act, the Board shall normally adopt the budgets for a given year no later than at the last regular Board meeting of the previous year.

The operating budget and the capital budget shall be separate.

The Executive Committee shall approve any increases or decreases in the operating and capital budgets resulting from revised allocations or unforeseen circumstances and shall report all such changes to the Board.

#### 1.05 Communication and Control

Following their adoption by the Board or revision by the Executive Committee, operating and capital budgets shall be forwarded to each person designated as responsible for these budgets in accordance with clause 1.07 of this bylaw.

The Director of Finance shall, in a timely fashion, make available to the relevant signing authority written or computerized reports of expenses as compared to the operating and capital allocations.

The Director of Finance shall be informed, on a timely basis, of all approved transactions in order to control budgets and expenditures of the College.

The Director of Finance may suspend any transaction which does not appear to be in accordance with this bylaw.

The Executive Committee shall examine, at least quarterly, the overall position of revenues and expenses of the College.

#### 1.06 Current Budget Management

Pursuant to clauses 5.06 and 5.09 of Bylaw Number 1 of the College, the Director General is responsible for overall budgetary control and the Director of Finance ensures the control and coordination of financial operations.

However, subject to the preceding paragraph, current budget management of individual sectors or administrative departments of the College shall be under the supervision of the administrative directors or persons to whom directors have delegated supervision of areas of responsibility in accordance with clause 1.07 of this bylaw.

The Director General shall approve the list of persons that have been delegated authority under this bylaw.

#### 1.07 List of signing authorities

Annually, the Director General shall submit a list of signing authorities for budgetary purposes for approval by the Executive Committee. This list of signing authorities shall specify the various areas of budgetary responsibility as well as the names of those in

charge of these areas. The list shall become effective on the date of its adoption and shall constitute the basis for application of this bylaw.

The Director General may modify this list provided that such modifications do not alter the reporting structure.

#### 1.08 Personal Responsibility

Any expense or commitment involving funds not provided for in the budgets nor specifically authorized in accordance with this bylaw shall be the **personal responsibility** of any person who has incurred or allowed such expense or commitment. The College shall not be obliged to honour such expense or commitment unless it was approved in advance by the Board, the Executive Committee or a person duly authorized to do so.

#### 1.09 Auditors

26.3 For each fiscal year, the college shall appoint from among the members of a professional corporation of accountants governed by the Professional Code (CQLR chapter C-26) an external auditor who shall file a report of his audit of the financial transactions of the College.

The Minister may specify the audit mandate applicable to all external auditors of colleges.

Each year the Board shall appoint the external auditors in accordance with the Policy on the Selection and Evaluation of External Auditors.

#### 1.10 Financial Statements

27. The financial statements of a college, together with the financial reports required by the Minister and the report of the external auditor, shall be forwarded to the Minister at the time and in the form he determines.

The fiscal year of a college shall end on June 30 each year.

The annual financial statement shall be approved by the Board.

### Article 2 **DEVELOPMENT FUND**

#### 2.01 Creation of the Fund

The Board may create a development fund from operating surpluses of prior years. The fund may also include sums received by the College as a gift, legacy, or other donation, or revenue from other sources.

The development fund shall be composed of sums set aside as the Board sees fit, and shall be segregated from the operating budget of the College.

## 2.02 Utilization of the Fund

The development fund shall be used for purposes determined by the Board and all allocations must be approved by the Board.

## **Article 3 BUDGET TRANSFERS**

### 3.01 Operating Budget

#### a) General Provisions

Operating budgets are transferable where permitted by the budgetary regulations of the Minister and policies of the College.

#### b) Authorization

1. The administrative director or the person assigned responsibility under clause 1.07 of this bylaw shall authorize all budgetary transfers within their areas of responsibility.
2. The Director General shall authorize all transfers between the overall budgets of administrative directors.

### 3.02 Capital Budget

#### a) General Provisions

In accordance with policies of the Minister, transfers from the capital budget to the operating budget are not permitted.

However, the Board may use part of the surplus of the operating budget for capital purchases or to absorb deficits in the capital budget.

Any capital budget transfer must be in accordance with the provisions of the Act and with regulations and policies of the Minister or the College.

#### b) Authorization

The Director General shall authorize transfers within the normalized capital budget.

## **Article 4 APPROVAL OF FINANCIAL TRANSACTIONS**

### 4.01 General Provisions

Financial transactions shall be approved on forms which identify the persons or bodies who may authorize such transactions and which bear the signatures of such persons.

The form for any transaction requiring approval of the Board or Executive Committee shall state that the transaction complies with all applicable regulations of the government, the budgetary policy of the Minister and this bylaw. The form shall be signed by the

Director General or the Director of Finance or by the person or persons qualified to replace them by virtue of Article 8 of this bylaw.

#### 4.02 Goods and Services

Any transaction concerning the purchase, sale, rental or lease of goods or services, or concerning the improvement and maintenance of buildings or grounds, or the maintenance and repair of equipment:

- a) must not exceed the limits of the respective overall budgetary envelopes of the operating and capital budgets approved by the College;
- b) must be documented and negotiated in accordance with Bylaw Number 10 of the College;
- c) and, with the exception of transactions covered by clause 4.03 and 4.05, shall be approved:
  1. by the administrative director concerned or the person who has been assigned responsibility for the budget under clause 1.07 of this bylaw, if the transaction has an initial value of less than twenty-five thousand dollars (\$25,000);
  2. by the Director General, if the transaction has an initial value of twenty-five thousand dollars (\$25,000) up to one hundred thousand dollars (\$100,000)
  3. by the Executive Committee, if the transaction has an initial value of one hundred thousand dollars (\$100,000) up to three hundred thousand dollars (\$300,000);
  4. by the Board, if the transaction has an initial value of three hundred thousand dollars (\$300,000) or more.

The values expressed above exclude applicable taxes.

#### 4.03 Educational Services

Any transaction concerning the sale of educational services must be made within overall operating budgets.

- a) Any offer for the sale of educational services to an external organization shall be approved in advance by:
  1. the Academic Dean or the person to whom the Academic Dean has delegated such responsibility in accordance with clause 1.07 of this bylaw, if the financial implications of the offer do not exceed one hundred thousand dollars (\$100,000);
  2. the Director General, if the financial implications of the offer exceed one hundred thousand dollars (\$100,000) but not two hundred thousand dollars (\$200,000)
  3. the Executive Committee, if the financial implications of the offer exceed two hundred thousand dollars (\$200,000).
- b) Any deposit required as security on an offer for the sale of educational services shall be authorized by the same authorities mandated to approve the offer itself.

#### 4.04 Transactions carried out as a Trustee

Notwithstanding clauses 4.01 to 4.03 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 trustee of a Ministry, agency or government body.

#### 4.05 Textbooks

The purchase of textbooks and supplies for resale in the College Bookstore is carried out by the Bookstore Manager under the Direction of Plant & Facilities in accordance with the Act respecting the Development of Québec Firms in the Book Industry (CQLR ch. D-8.1). The following signing authority limits apply to these purchases:

1. purchases valued at \$25,000 or less: Bookstore Manager;
2. purchases valued at greater than \$25,000 but not more than \$100,000: Director, Plant & Facilities;
3. purchases valued at greater than \$100,000: Director General.

### **Article 5 AUTHORIZATION OF PAYMENT**

#### 5.01 Salaries

Any cheque or other instrument of payment of salaries shall be authorized by the Director of Finance or delegate.

#### 5.02 Other Payments

Any cheque or other instrument of payment for a transaction duly approved by virtue of this bylaw shall be authorized:

- a) by the Director of Finance or delegate if the amount does not exceed fifty thousand dollars (\$50,000);
- b) by the Director of Finance and the Director General if the amount exceeds fifty thousand dollars (\$50,000).

### **Article 6 TRANSACTIONS WITH FINANCIAL INSTITUTIONS**

#### 6.01 Choice of Institution

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

#### 6.02 Bank Borrowing

Temporary bank borrowing made within the line of credit granted to the College by the Minister shall be authorized by the Director General or the Director of Finance or delegate.

6.03 Long-term Financing

Long term financing contracted in accordance with clause 6.01, paragraph e) of Bylaw Number 1 shall be authorized by the Executive Committee.

6.04 Term Deposits

The Director of Finance or delegate shall authorize term deposits for one year or less and shall inform the Director General of any such investments.

The Director General shall authorize term deposits for more than one year.

**Article 7 SIGNING AUTHORITIES FOR SPECIFIC PURPOSES**

7.01 Instruments of Payment

Any note, draft, money order, cheque or other order to pay which requires the signature of the College shall be signed manually, mechanically or electronically and shall require the joint signature of two of the following officers: the Chair of the Board, the Director General, the Director of Finance or any of the foregoing jointly with the Academic Dean, the Director of Plant and Facilities, the Director of Corporate Affairs, the Director of Student Services or the Director of Information Systems and Technology.

7.02 Purchase of Goods and Services

a) Purchase Orders

Individuals responsible for purchases as designated in clauses 8.03 and 8.04 of Bylaw Number 10", shall be mandated to sign, for and on behalf of the College, any purchase order for the purchase, rental or lease of goods or services or any purchase order relating to improvement and maintenance of buildings and grounds or the maintenance and repair of equipment, in accordance with clause 4.02 of Bylaw Number 5.

b) Contracts

The following shall be mandated to sign, for and on behalf of the College, any contractual document for the purchase, sale, rental or lease of goods or services or any contractual document relating to improvement and maintenance of buildings and grounds or the maintenance and repair of equipment, in accordance with clause 4.02 of this bylaw:

1. the Director of Finance or delegate and the administrative director concerned or delegate, if the contract has an initial value of up to twenty-five thousand dollars (\$25,000);
2. the Director of Finance or delegate and the Director General, if the contract exceeds twenty-five thousand dollars (\$25,000) or more.

The values expressed above exclude applicable taxes.

7.03 Contracts for the sale of Educational Services

The following shall be mandated to sign, for and on behalf of the College, any contract for the sale of educational services in accordance with clause 4.03 of this bylaw:

1. the Academic Dean and the Director of Finance or their delegates, if the contract does not exceed one hundred thousand dollars (\$100,000);
2. the Director of Finance and the Director General, if the contract exceeds one hundred thousand dollars (\$100,000).

**Article 8 PROVISIONS IN CASE OF ABSENCE OR EMERGENCY**

8.01 Absences

If any of the persons designated in this bylaw except the Director General, is absent or unable to act, such person or the Director General may delegate the power to carry out, for and on his or her behalf, budgetary transfers, approvals of financial transactions, settlement of financial transactions and banking transactions that the absent person is authorized to carry out. Such delegation must be expressly given in writing to a person included on the list of signing authorities established in accordance with clause 1.07 of this bylaw.

The Executive Committee may designate any other officer to replace an officer who is temporarily absent.

8.02 Emergencies

If an emergency arises and all of the persons designated in this bylaw 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 as soon as possible.