

Policy History
Policy No. GV4
Approving Jurisdiction: Board of Governors
Administrative Responsibility: Vice President Finance and Administration
Effective Date: December 1, 2025

Signing and Spending Authority Procedure

A. PURPOSE

The purpose of this procedure is to ensure that all financial commitments, revenues, expenditures, and contractual obligations undertaken on behalf of Kwantlen Polytechnic University (KPU) are authorized, documented, and executed in a manner that upholds institutional accountability, complies with applicable policies and regulations, and mitigates financial and legal risk. This procedure establishes a clear framework for delegating, exercising, and reviewing both signing and spending authority across the University.

B. DEFINITIONS

- Agreement:** An agreement is an arrangement between two or more parties (e.g., individuals, corporations, trusts, or partnerships) by which the parties agree to undertake or to alter their respective rights and/or obligations.
- Contingent Liability:** A contingent liability refers to a liability that exists but may not have to be fulfilled; one which will become an obligation upon a future, uncertain event. This also includes a liability to perform the obligation of another party if that other party fails to perform it.
- Contract:** A contract is a legally enforceable agreement, willingly entered into, between two or more parties, typically involving an exchange of promises. It may take the form of:
 - A standard agreement enforceable by law

- b. An agreement under seal, which may bind a party even without reciprocal consideration

Contracts are used for purchases or business relationships that are/have:

- a. High Value or Risk
- b. Custom or Complex terms
- c. Regulatory or Legal Requirements
- d. Long-Term or Ongoing Arrangements

4. FIPPA Freedom of Information and Protection of Privacy Act (BC):

The Freedom of Information and Protection of Privacy Act (FIPPA) applies to public sector organizations in British Columbia, including universities, government ministries, school districts, and municipalities. It serves two main purposes:

- Freedom of Information
- Protection of Privacy

5. Indemnity:

Indemnity involves a commitment under which a party undertakes to prevent a loss or to provide reimbursement or compensation in the event of a loss; the obligation under the agreement could be, but need not be, dependent upon default by the indemnifying party or anyone else. The obligations under an indemnity may be a contingent liability of the party that has given the commitment.

6. One-Over-One Approval Requirement:

To uphold KPU's code of conduct, individuals with spending and signing authority are prohibited from authorizing payments to themselves or for their personal benefit, regardless of the amount. In such instances, supervisory approval, one-over-one, is mandatory to confirm the legitimacy of the expense. This requirement applies to all university employees and grantees who may also be claimants on the funds in question.

7. Purchase Order:

The KPU Purchase Order (PO) is a templated form of a contract whereby KPU has defined the terms and conditions of the purchase, and the vendor accepts those terms and conditions by fulfilling the PO.

8. **Purchase Requisition:**

A Purchase Requisition (also referred to as a **purchase request**) is an internal request, typically initiated as web requisition to formally begin the procurement process for goods, services, or construction.

9. **Precedent-Setting:**

A precedent-setting transaction refers to a decision, agreement, or expenditure that may establish a standard or expectation for future actions within the University. These transactions often involve new, unusual, or exceptional circumstances that, once approved, could influence future practices, policies, or interpretations.

10. **Signature:**

A signature is a person's name or mark used to show they agree to something. It can be written by hand (wet signature) or done electronically (digital signature). It is used to authenticate, approve, or agree to the contents of a document or transaction.

11. **Signing Authority:**

Signing authority refers to the legal power to sign documents on behalf of an organization, such as contracts, agreements, or cheques. Signing Authority can exist with or without spending authority, depending on the role.

Example: A Vice President Finance and Administration will sign a contract with a supplier, legally committing the company—even if someone else approved the spending as the spending authority.

12. **Signing Officer:**

This term is identical to “Signing Authority” above except that the term “Signing Officer” will be used, within this Policy and Procedures, to refer only to those instances where the term is required by a third party such as a bank.

13. **Spending Authority:**

Spending authority refers to the **power to approve or initiate expenditures** within a set budget or financial

limit. A person who has spending authority does not necessarily include the ability to sign contracts or legal documents as the signing authority. However, an individual with spending authority may serve as the designated approver for invoices tied to an executed contract.

Example: A department manager can approve a \$5,000 purchase for office supplies because it's within their budget—but they can't sign the vendor contract.

14. Total Value:

The total value refers to the estimated overall cost, inclusive of applicable taxes, for the entire duration of the agreement. This includes initial setup costs, any anticipated modifications, and potential contract extensions.

C. GENERAL PROCEDURES - SIGNING AND SPENDING LIMITS

1. Maintenance of Schedule of Spending and Signing Authority Limits

The Vice President Finance and Administration (VPFA) will be responsible for developing and maintaining a comprehensive **Spending and Signing Authority Table** (referred to as ***Schedule A***). This schedule outlines:

- a. Categories of documents that require formal signature
- b. Applicable financial thresholds, where relevant
- c. Roles authorized to request and approve expenditures = spending authority
- d. Roles authorized to sign and execute contracts and agreements – including non-value, revenue and expenditure agreements = signing authority
- e. Roles that shall be consulted for review of documents or procurement methods

The VPFA will ensure that ***Schedule A*** remains current and accurate. Updates will be made as necessary to reflect:

- a. Changes in document types requiring signature
- b. Adjustments to financial limits
- c. Modifications to authorized roles or titles
- d. Schedule A is maintained independently of this procedure and, as such, does not require community consultation under the GV2 Policy and Procedures.

2. Board Oversight

According to the Board Governance Manual, the Finance Committee of the Board of Governors will review and approve Schedule A annually or whenever substantive amendments are proposed - excluding routine administrative updates. This ensures continued alignment with institutional governance and fiduciary responsibility.

3. Training and Communication

The VPFA will ensure that all designated signing and spending authorities:

- a. Receive the Signing and Spending Authority Policy, Procedures, and Schedule(s)
- b. Are provided with training to understand their roles and responsibilities under this framework.

4. Temporary Delegation of Signing or Spending Authority

Signing or spending authority may be further delegated under special circumstances with the following conditions e.g., vacation coverage and/or for specific time limited projects:

- a. Must be in writing and copied to the supervisor and Financial Reporting Systems Coordinator at: Fin.Reporting.Coord@kpu.ca
- b. Must specify the time period and should generally not exceed a one-year commitment
- c. Cannot exceed the original authority's dollar limits
- d. Must be within approved budgets and specify the scope of the delegation, e.g., Fund/Organization Code.
- e. Delegate must accept the responsibility and report commitments that they signed to the original signing officer promptly
- f. Persons delegated authority must be employees of KPU unless approved by the VPFA

5. Spending Authority Guidelines

a. Budget-Based Authority

- i. Budget approval by the Board grants authority to spend within allocated amounts subject to the terms and conditions of the relevant Procurement or Human Resources policies and procedures, or specific procedures within an operating unit.
- ii. Spending authority is not the same as signing authority and does not provide the authority to an individual to sign contracts. All contracts require additional review and approval processes beyond spending authority delegation.

- iii. The intentional division or “splitting” of purchase requisitions to circumvent this financial threshold is prohibited.

b. Restricted Funds

- i. Individuals managing restricted funds (e.g., research, endowment spending, revenue generating and other trust funds) may delegate signing authority over expenditures but remain accountable to ensure that the expenditures are consistent with the restricted intent for those funds and do not exceed the authorized dollar amounts.

c. Approval Rule: “One-Over-One”

- i. Applies to all employees and grantees.
- ii. Any purchase, expense, or reimbursement that benefits—or may appear to benefit—an individual must be approved by a supervisor one level above the claimant.
- iii. All P-card purchases, and expense report reimbursements will require one-over-one approval, regardless of value.
- iv. Approval must come from the same organizational unit and from the person with spending authority for the relevant budget account. Note: This individual may differ from the one-over-one approval.
- v. KPU reimbursed visiting researchers’ expenses must be approved by the host’s supervisor.

d. High Value or Precedent Setting Contracts

- i. Any planned acquisition exceeding **\$2,000,000**, and/or deemed **precedent setting**, meaning they could influence future procurement practices or expectations, or involve atypical terms, goods, or services must receive prior approval from the Board of Governors.
- ii. Determination of whether a purchase is precedent-setting should be made in consultation with the appropriate Vice President.

D. SPENDING AUTHORITY VERSUS SIGNING AUTHORITY

The spending of funds at the University is governed by a structured framework that promotes fiscal responsibility, policy adherence, and strategic alignment. Procurement Services plays a key role in this process—coordinating competitive sourcing, issuing purchase orders, and managing contract execution. Many goods and services are already covered under existing contracts, including university-wide agreement agreements, Corporate Supply Arrangements (CSAs), or Cross Institutional Supply Arrangements such as BCNET contracts, which should be utilized whenever possible and practical to streamline procurement, maximize value, and minimize risk.

All expenditures must follow the approved process, with clearly defined roles and responsibilities at each stage.

1. Requisition and Contract Signing

All purchase requests must be submitted to Procurement Services via a Purchase or Web Requisition, unless:

- a. They are delegated to other departments under Procurement Policy (AD3),
- b. Eligible for P-card use.

For proactive planning other communication methods, including email, may be used to convey purchasing needs pending submission of approved web requisition by spending authority. Spending authority for these requisitions is based on the total value of the purchase. The total value is defined as the projected total cost over the full term including initial costs, any potential modifications, maintenance, end of life disposal.

Requisitions will be processed, and the solicitation will result in a purchase order or formal contract with detailed terms and conditions covering higher risk areas as determined by procurement services.

For P-card eligible purchases, as per FM5 Business and Travel Expense Policy and procedure, authorized individuals may opt to use their KPU-issued P-card, provided they follow the specific procedures outlined for P-card usage.

Purchases made via formal contracts require a different level of signing authority. Proposals that may lead to formal contracts must be treated with the same level of scrutiny and signing authority as the executed agreements themselves. These documents, may introduce legally binding terms and conditions, necessitating higher-level review and approval to ensure alignment with KPU's legal and institutional standards. See table below for comparison.

	Spending Authority	Signing Authority
Form	Requisition	Purchase Order or Contract
Purpose	Internal request to buy something or spend University budget e.g., purchasing equipment or hiring employees	A formal agreement established between two parties, outlining the terms and conditions related to the exchange of goods, services, or financial assets. This agreement may pertain to procurement activities, sales transactions, or revenue-generating arrangements, and serves to define the responsibilities, deliverables, and obligations of each party involved.

	Spending Authority	Signing Authority
Form	Requisition	Purchase Order or Contract
Legal Binding	Not legally binding	Legally enforceable with obligations and rights
Risk Exposure	Low—mostly operational	High—can involve penalties, liabilities, disputes
Approval Level	Departmental or mid-level manager as per Schedule A	Senior leadership or delegated contracting officer – Minimum Director level
Compliance Needs	Basic policy checks	Must comply with laws, trade agreements, and regulations. Requires Procurement, Risk, General Counsel review

E. SPENDING AUTHORITY

All spending must follow the approved phases outlined below, with clear roles and responsibilities at each stage.

Phase	Description	Required Spending Authority
1. Requisition or P-Card	Internal request to procure goods/services; initiates the procurement process.	Person responsible for managing the budget account or delegate - refer to Schedule A
2. Purchase Order / Procurement Contract	Formal commitment to a supplier or service provider. May be a PO (Requires Procurement involvement) or a legally binding contract.	Procurement Services or authorized departments e.g., Bookstore, Library
3. Invoice Approval	Confirms goods/services received and matches PO/contract terms.	Budget holder, designated approver or qualified receiver
4. Payment Execution	Final payment processed by Finance.	Finance department only

1. Requisition Phase

- a. Initiation: A department identifies a need for goods or services.
- b. Documentation: A web requisition form or system entry is completed, including scope, estimated cost, and funding source.

- c. Authorization: Must be approved by the spending authority or their delegate before proceeding to procurement as per Schedule A. The approver is responsible for verifying:
 - i. Availability of funds
 - ii. Reasonableness of the request
 - iii. Alignment with institutional policies, priorities, and operational requirements

2. Purchase Order or Contract Phase

Procurement Services will determine the most appropriate method of commitment—either a Purchase Order (PO) or a formal contract—based on the nature, value, and complexity of the purchase. This decision may involve a competitive bidding process, in accordance with applicable trade agreements, procurement laws, and University policies.

a. Purchase Order (PO):

- i. Issued by Procurement Services based on an approved requisition.
- ii. Becomes a binding agreement once accepted by the supplier.
- iii. Certain departments (e.g., Bookstore, Library) may have delegated authority to issue POs directly under defined conditions.

b. Contract:

- i. Required for services, research agreements, or non-standard terms.
- ii. Must be reviewed by Legal and/or Risk Management if applicable.
- iii. Only designated signing officers may execute contracts on behalf of the University.

3. Invoice Approval Phase

- a. **Matching:** Invoices are matched against the PO or contract terms (price, quantity, deliverables).

b. Approval:

- i. Must be approved by the spending authority or designated approver prior to payment.
- ii. Designated approver is responsible for confirming that:
 - 1) Goods or services have been received in full and meet the agreed-upon terms
 - 2) Invoice details and calculations align with the original PO or contract (including pricing and deliverables)

3) Budget coding is accurate and appropriate

iii. If the invoice amount exceeds the original commitment, the next level approval may be required, based on the amended and cumulative value, in accordance with Schedule A.

4. Payment Execution Phase

- a. **Processing:** Finance verifies approved invoices and processes payment.
- b. **Controls:** Payments are subject to audit and compliance checks.
- c. **Restrictions:** No individual may authorize payment to themselves without one-over-one approval.

Example: Finance releases payment for a consulting invoice after confirming contract terms and approval signatures.

F. SIGNING AUTHORITY

When a contract is determined necessary to purchase goods or services, or to engage others to provide services, the contract or agreement will follow these phases per below:

Phase	Description	Required Signing Authority
1. Delegation	Signing authority is formally delegated by the Board of Governors to the President and senior roles.	Board of Governors, President, Vice Presidents
2. Authorization	Delegated individuals are notified, trained, and provided with policy documents outlining scope and limits.	VP Finance & Administration, Delegated Signatories
3. Pre-Execution Review	Documents undergo review for legal, risk, insurance, and financial implications before being signed.	Legal Counsel; Risk Management; Insurance Advisor; Procurement (as applicable); Finance
4. Document Execution	Authorized individuals sign contracts, agreements, and other binding documents on behalf of KPU.	Designated signing officers per Schedule A
5. Oversight & Compliance	Signed documents are reviewed, tracked, and audited to ensure compliance with policy and legal standards.	VP Finance & Administration; Internal Audit

1. Responsibilities of Signing Authorities

Before signing any contract or agreement, authorized individuals must:

a. Agreement Review

- i. Fully review the agreement before submission for Legal or Risk review
- ii. Confirm the University can meet all terms and specifications
- iii. Ensure all required reviews are completed prior to final signature

b. Legal Compliance

- i. Ensure the agreement complies with applicable laws in Canada and British Columbia

c. Due Diligence

- i. Confirm appropriate stakeholder approvals
- ii. Complete necessary legal, risk, procurement, financial, and other reviews
- iii. Disclose any identified risks

b. Indemnity and Insurance

- i. Verify that appropriate indemnities and insurance coverage are included

c. Documentation

- i. Include Legal and/or Risk review documents with each stage of sign-off
- ii. Clearly label the agreement with version number and date

d. Total Value Authorization

- i. Signing authority must reflect the full contract value, not just the value of amendments or modifications, and potential renewal options that may be exercised.

e. Strategic Alignment

- i. Ensure the agreement aligns with the KPU's mission, strategic plan, budget, collective agreements, and academic priorities

f. Intellectual Property

- i. Address IP matters in accordance with RS5 Intellectual Property policy and applicable legislation

g. Overhead Rates

- i. Confirm that overhead rates comply with KPU's overhead rate policies
- ii. Any exceptions must be approved by the President, VP Finance and Administration, or AVP Research, based on the type of the agreement

h. Research MOUs

- i. All research-related research agreements, contracts, and Memorandums of Understanding (MOUs) must be submitted to the Office of Research Services (ORS) for approval

2. Legal, Privacy and Risk Management Reviews

Procurement Contracts: The Procurement team will assess whether legal review is necessary based on the nature and scope of the agreement.

For non-procurement contracts the legal review shall encompass the following:

To protect the interests of the University, signing authorities must undertake appropriate due diligence assessment prior to execution of documents which include:

a. Legal Reviews

- i. The Office of General Counsel must be consulted prior to signing any contractual document, agreement, or contract, unless based on pre-approved templates developed with legal counsel.
- ii. Legal and Privacy review focuses solely on legal and FIPPA risks and does not assess the business rationale. The delegated signing authority is responsible for ensuring the agreement aligns with operational and strategic needs.

b. Indemnity Matters

- i. Any document, contract or agreement which contains an indemnification to other parties, must be reviewed by the University's Risk department and may need to be approved by the applicable Provincial Ministry, prior to such a document being finalized and executed.

c. Contractual or Agreement Matters

- i. No person may sign any document or enter into a verbal or non-verbal agreement that creates an obligation or undertaking on behalf of the University unless the individual has been granted authority through this Policy, Procedures, and related Schedule(s).
- ii. All employees must understand the extent and limits of their authority and comply with the University's policies, procedures and processes.
- iii. Approving an agreement without appropriate authorization exposes the individual to personal liability

3. Procurement and Financial Review

Procurement Contracts: The Procurement team will assess whether additional financial review is necessary based on the nature and scope of the agreement.

Non-Procurement Contracts: For contracts related to revenue generation, sales, or other non-procurement activities, a financial review is strongly recommended to ensure fiscal responsibility and institutional alignment.

The review may include:

a. Budget Alignment:

- i. Ensures the financial commitments in the agreement are within approved budgets and funding sources.

b. Cost Validation:

- i. Verifies that pricing, payment terms, and financial obligations are accurate, reasonable, and consistent with KPU and market standards.

c. Avoids Hidden Liabilities:

- i. Identifies clauses that may introduce unexpected costs, penalties, or long-term financial exposure.

d. Policy Consistency:

- i. Confirms the agreement complies with institutional financial policies, procurement procedures, and signing authority levels.

e. Audit Readiness:

- i. Ensures documentation and financial terms meet audit standards and can be properly tracked and reported.

f. Payment Terms Review:

- i. Validates timelines, conditions, and triggers for payment to prevent disputes or cash flow issues

4. Insurance

- a. The University carries broad insurance coverage for board members, officers, and employees
- b. Any agreement that deviates from standard approved contract language, regarding insurance or liability limits, must be reviewed by the Risk Department before signing

5. Use of University Seal

- a. Only designated positions may use the University Seal
- b. Section 56 of the University Act governs proper execution of documents under seal
- c. GV6 Use of Institutional Name, Coat of Arms, Crest, Logo, Seal and Other Graphic Images provides more details

6. Records Management

- a. For non-procurement contracts, the primary signing authority is the Office of Primary Responsibility, for example, Human Resources for employee contracts, and as such, must retain the original contract per the University's retention schedule.
- b. Procurement Services, as the Office of Primary Responsibility, holds records for procurement-related contracts and distributes copies to signing authorities.

G. RELATED POLICY

GV4 Spending and Signing Authority Policy

AD3 Procurement Policy and Procedures

BP4 Campus Planning

FM5 Business and Travel Expense

FM9 Financial Structure of Revenue Based Activities excluding Sales of Academic services and Research

GV6 Use of Institutional Name, Coat of Arms, Crest, Logo, Seal and Other Graphic Images

GV8 Memorandum of Understanding / Letter of Intent

HR11 Search Advisory and Appointment of Administrative Positions

HR14 Employment Students

HR20 Search Advisory, Appointment & Re-appointment of Senior Academic Administrator Positions

HR22 Presidential Search Advisory, Appointment and Re-appointment

HR25 Search Advisory and Appointment of Senior Administrative Positions

IM8 Privacy

RS3 Indirect Costs of Research

RS4 Administration and Control of Research and Special Funds

RS5 Intellectual Property

Other Related Documents:

Schedule A: Spending and Signing Authority Table

PURCHASE ORDER (PO) EXEMPTION MATRIX

Contract signing form(s) TBD

Delegation of Signing Authority Form TBD