

CHAMPLAIN REGIONAL COLLEGE
OF GENERAL AND VOCATIONAL EDUCATION



BY-LAW NUMBER 5
BY-LAW CONCERNING
FINANCIAL MANAGEMENT OF THE COLLEGE

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1499 (Board of Governors)	December 8, 1993
1569 (Board of Governors)	March 1, 1995
1616 (Board of Governors)	December 13, 1995
2065 (Board of Governors)	April 25, 2003
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Amended articles are indicated by Resolution Number of the amendment appearing at the end of the article.

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Article 1 GENERAL PROVISIONS

1.01 Definitions

The definitions set forth in Articles 1.01 of By-Law Numbers 1, 3 and 4 apply to By-Law Number 5.

- a) "BUDGET": refers to a planning document which includes both anticipated revenues and expenses.

The **operating budget** covers operations expected to be completed within one year and shall be prepared on the basis of a provisional allocation from the Ministry.

The **capital budget** covers capital expenditures as defined by the Ministry.

- b) "FUND": refers to the method of accounting that the College uses, namely fund accounting. 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.

(R. 1616, 2577)

1.02 Designation

The present By-Law, designated as Number 5, establishes the rules concerning the financial management of the College.

1.03 Approval of budget

After the operating budget and the capital budget have been adopted by the Board for a fiscal year, they shall be submitted to the Minister for approval in accordance with Article 25 of the Colleges Act.

(R.2577)

1.04 Communication and Control

After the operating and capital budgets have been adopted by the Board, they shall be forwarded to the Director General and the Directors.

The Director, Finance and Administration shall, in a timely fashion, make available to the Director General and the Directors the written or computerized reports of expenses as compared to the operating and capital budgets.

(R. 1616, 2577)

1.05 Financial Management

Pursuant to Articles 4.06 and 4.10 of By-Law 1 of the College, the Director General and the Director, Finance and Administration shall be responsible for the control and coordination of the overall financial operations of the College.

However, subject to the preceding paragraph, current financial management of each location is the responsibility of the senior College officer at that location. If the person in charge of an area of responsibility is not a member of management personnel, that person must be able to act in such capacity and must be expressly appointed by the officer of the College to whom such person reports, in accordance with the organizational chart and within the meaning of By-Law 1 of the College.

The Executive Committee shall examine, at least semi-annually, the overall positions of the revenues and expenses of the College as well as the position of any line of credit approved by the Minister.

(R. 1616, 2577)

1.06 Responsibility

- a) All monies received or collected by or on behalf of the College must be administered under the supervision of the Director, Finance and Administration of the College.

- b) Any expense or commitment involving funds not provided for in the budgets nor specifically authorized in accordance with By-Law Number 5 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 approved by a person duly authorized to do so by the Board or Executive Committee.

(R. 2577)

1.07 List of Signing Authorities

The Director General shall submit to the Executive Committee for approval a list of signing authorities for financial transactions. The list of signing authorities shall specify the areas 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 Director General may modify this list and submit it to the Executive Committee for approval.

The list of signing authorities shall be approved annually by the Executive Committee. It shall become effective on the date of its adoption and shall constitute the basis for application of By-Law Number 5.
(R. 1616)

1.08 Coordination of Human Resource Dossiers

The coordination of human resource dossiers in relation to the "*Système des Personnels et Organismes des Collèges*" and the annual financial statement is the responsibility of the Director, Finance and Administration.
(R. 2577)

1.09 Audit

The accounting records and the annual financial report of the College shall be examined by an external auditor who is appointed annually by the Board.

The mandate given to the external auditor must 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 on the desirability of requesting the external auditor to conduct special audit or other specific work and must inform the Board of the particular nature of such special mandate.
(R. 2577)

1.10 Financial Statements

At the end of each fiscal year, financial statements and the external auditor's report thereon shall be submitted to the Board for consideration, and, upon approval, shall be subsequently submitted to the Minister in accordance with Article 27 of the Act.
(R. 1616)

Article 2 OPERATING BUDGET

2.01 General Provisions

Within the operating budget, transfers will be allowed where permitted by the budgetary

regulations of the Ministry. Transfers must also respect the rules described below.

2.02 General Rule

Budgetary transfers may be made during the fiscal year between various items provided they do not exceed the overall operating budget approved by the College.

2.03 Authorization of Transfers

- a) Budgetary transfers shall be authorized within the budget of a department or service by the individual designated as responsible for the budget as per Article 1.07.
- b) Budgetary transfers between the budgets of more than one service or department shall be authorized by the Director, or the Director General in the case of College Administration.
- c) Budgetary transfers between locations shall be authorized by the Director General and the Executive Committee shall be so notified.
(R. 1616)

Article 3 DEVELOPMENT FUND

3.01 Creation of a Development Fund

A special fund, called the Development Fund, may be created from operating surpluses of prior years.

3.02 Composition of the Development Fund

The Development Fund shall be composed of sums set-aside annually by the Board. The Development Fund shall be segregated from the operating budget of the College.

The Development Fund may also include sums received by the College as a gift, legacy or other type of donation as well as revenues received by the College from other sources.

3.03 Utilization of the Development Fund

The Development Fund may only be used for extraordinary projects which will not require recurrent funding. Such projects will not be funded if other avenues for funding have not been explored. Eligible projects may include:

- 1) Development of existing academic programs or the implementation of new programs;
 - 2) Professional development of personnel;
 - 3) Assistance to students;
 - 4) Assistance for research and experimentation;
 - 5) Improvement of physical installations and systems, purchase of new equipment and replacement of existing equipment.
- (R. 2065)

3.04 Terms and Conditions for the Utilization of the Fund

Each year the Director General shall submit to the Board a list of projects which are to be financed by the Development Fund. After considering such projects, the Board shall determine the allocation of funds. In any given year, the projects approved shall not require total expenditures in excess of ten percent (10%) of the fund's balance. Expenditures financed by this fund shall be in accordance with all College policies. At the end of the fiscal year, the Director, Finance and Administration shall submit to the Board a financial statement on the Development Fund.

(R. 2577)

3.05 Other Funds

Other funds may be created for specific purposes in accordance with the College's General Management Plan, provided that prior authorization is obtained from the Board or the Executive Committee. All such funds must be governed by the requirements outlined in Article 1.06.

The Director, Finance and Administration shall submit to the Board a statement of the revenues, expenditures and activities of these funds.

(R. 2577)

Article 4 CAPITAL BUDGET

4.01 General Provisions

In accordance with the rules decreed annually in the Minister's budgetary policy, no transfers may be made between budgets for immovable and moveable items contained in a normalized allocation, even within the capital budget, unless expressly authorized by the Government.

Subject to the foregoing, transfers within the capital budget must comply with the following rules.

(R. 2577)

4.02 General Rule

Transfers may be made during a fiscal year within the normalized capital budgets provided such transfers comply with all by-laws and directives in effect and are within the overall normalized capital budget approved by the College.

4.03 Authorization of Transfers

- a) Budgetary transfers between sub-funds of the normalized capital budget of a location shall be authorized by the Director, or by the Director, Finance and Administration in the case of College Administration.
 - b) Budgetary transfers between the capital budgets of locations shall be authorized by the Director General and the Executive Committee shall be so notified.
- (R. 1616, 2577)

Article 5 APPROVAL OF FINANCIAL TRANSACTIONS

5.01 General Provisions

Financial transactions must be approved on appropriate paper or computerized forms which clearly identify the persons or bodies qualified to act on behalf of the College for approval purposes 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 paper or computerized form used must state that the transaction complies with all applicable regulations of the government, the budgetary policy of the Minister and By-Law Number 5. The form must be signed by the Director General or the Director, Finance and Administration or by the person or persons qualified to replace them by virtue of Article 8 of By-Law Number 5. (R. 2577)

5.02 Verification and Control

All financial transactions shall be carried out on prescribed forms where the amount of the

transaction and the signing authority are identified.

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

The Director, Finance and Administration may suspend any transaction which does not appear to be in accordance with By-Law Number 5. (R. 2577)

5.03 Hiring of Employees and Consultants

The hiring of persons who carry out duties 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 By-Law 4 of the College concerning human resource management.

Persons other than those referred to in the preceding paragraph shall be hired only in accordance with the provisions of Article 5.04 of the present By-Law.

5.04 Purchase or Sale of Goods and Services

Any transaction concerning the purchase, rental or lease of goods and services, or concerning the sale of goods and services, with the exception of those covered in Article 5.05, or concerning the sale, disposal, and/or alienation of current or fixed moveable assets:

- a) Must not exceed the limits of the respective overall budgetary envelopes of the operating and capital budgets approved by the College. In exceptional circumstances the Executive Committee may approve appropriate changes to the operating or capital budgets to permit the College location to continue operations;
- b) Must be documented and negotiated in accordance with the college's Policy Respecting Procurement Contracts for Goods, Services, and Construction
- c) Must be signed by the person(s) who has(have) been assigned responsibility for the budget under articles 1.05 and 1.07 of Bylaw Number 5, if the value of the

transaction does not exceed two thousand five hundred dollars (2,500.00);

- d) Must be signed by the Director and the person(s) who has(have) been assigned responsibility for the budget under articles 1.05 and 1.07 of By-Law Number 5, if the value of the transaction does not exceed ten thousand dollars (10,000.00);
 - e) Must be authorized by the Director, Finance and Administration and:
 - 1) by the Director and the person(s) who has(have) been assigned responsibility for the budget under Articles 1.05 and 1.07 of By-Law Number 5, if the value of the transaction exceeds ten thousand dollars (10,000.00) but not twenty-five thousand dollars (\$25,000.00);
 - 2) by the Director General, if the value of the transaction exceeds twenty-five thousand dollars (\$25,000.00) but not one hundred thousand dollars (\$100,000.00);
 - 3) by the Executive Committee, if the value of the transaction exceeds one hundred thousand dollars (\$100,000.00) but not two hundred and fifty thousand dollars (\$250,000.00);
 - 4) by the Board of Governors, if the value of the transaction exceeds two hundred and fifty thousand dollars (\$250,000.00).
- (R. 1569, 1616, 2065, 2577)

5.05 Offer for Sale of Educational or Other Services

All transactions concerning the sale of educational or other services must be in accordance with the budgetary regulations of the Ministry.

- a) Any offer for services prepared for an external organization:
 - 1) must be approved by the Director, and the Director of Studies when the offer is for educational Services, if the value of the offer amounts to one hundred thousand dollars (\$100,000.00) or less;
 - 2) must be approved by the Director General, if the value of the offer exceeds one hundred thousand dollars

(\$100,000.00) but not two hundred and fifty thousand dollars (\$250,000.00);

- 3) must be approved by the Executive Committee, if the value of the offer exceeds two hundred and fifty thousand dollars (\$250,000.00) but not five hundred thousand dollars (\$500,000.00);
 - 4) must be approved by the Board, if the transaction exceeds five hundred thousand dollars (\$500,000.00).
- b) 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.
- c) In the case of a contract for services, other than educational, to an outside organization, such contract must be authorized before it is signed:
- 1) by the Director, if the value of the transaction does not exceed twenty-five thousand dollars (\$25,000.00);
 - 2) by the Director General, if the value of the transaction exceeds twenty-five thousand dollars (\$25,000.00) but not one hundred thousand dollars (\$100,000.00);
 - 3) by the Executive Committee, if the value of the transaction exceeds one hundred thousand dollars (\$100,000.00) but not two hundred and fifty thousand dollars (\$250,000.00);
 - 4) by the Board, if the value of the transaction exceeds two hundred and fifty thousand dollars (\$250,000.00).
- (R 1616, 2577)

5.06 Transactions Carried out as a Trustee

Notwithstanding Articles 5.01 to 5.05 inclusive of By-Law Number 5, 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.

5.07 Meals, Lodging and Travel Expenses

Expenses for meals, lodging and travel shall be reimbursed in accordance with the College Policy concerning Meals, Lodging and Travel Expenses.

Article 6 PAYMENT OF FINANCIAL TRANSACTIONS

6.01 Authorization for Payment

Any requisition for a cheque or other instrument issued as payment for a transaction duly approved by virtue of By-Law Number 5 must be authorized:

- a) by the Director, Finance and Administration, if the amount does not exceed twenty-five thousand dollars (\$25,000.00);
 - b) by the Director, Finance and Administration and the Director General, if the amount exceeds twenty-five thousand dollars (\$25,000.00).
- (R. 2577)

6.02 Salaries

Any requisition for a cheque or other instrument of payment issued for salaries must be authorized by the Director, Finance and Administration on the recommendation of the Director of Human Resource Services.

(R. 2577)

Article 7 BANKING TRANSACTIONS

7.01 Choice of Institution

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

7.02 Bank Borrowings

Temporary bank borrowings made within the line of credit granted to the College by the Minister shall be authorized by the Director General or the Director, Finance and Administration.

Pursuant to the Colleges Act, the authorization of the Board of Governors shall be required for any other type of borrowing.

(R. 2577)

7.03 Issuance of Bonds

Pursuant to the Act and By-Law Number 1, a call for tenders concerning the sale of College bonds and the issuance of bonds shall require the authorization of the Executive Committee.

7.04 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.

Article 8 SIGNING OFFICERS FOR SPECIFIC PURPOSES

8.01 Signing Officers for Bank Drafts

Any note, draft, money order, cheque or other order to pay which requires the signature of the College shall be signed manually, electronically, or mechanically and, in all cases, the joint signatures of two (2) of the following officers shall be required: the Chairman of the Board, the Director General, the Director, Finance and Administration or any one of the foregoing jointly with the Director of Studies, a Director or the Director of Human Resource Services/Secretary General of the College.
(R. 1499, 1616, 2577)

8.02 Signing Officers for Requests for Reimbursement and Other Government Financial Documents

Requests for reimbursement of capital expenditures, 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, Finance and Administration for and on behalf of the College.
(R. 2577)

8.03 Signing Officers for Contracts for the Purchase or Sale of Goods and Services

The following shall be mandated to sign, for and on behalf of the College, any contract for the purchase, rental or lease of goods or services or concerning the sale of goods and services, with the exception of those covered in Article 5.05, or any documents related to the sale, disposal, and/or alienation of current or fixed moveable assets, in accordance with Section 5.04 of By-Law Number 5:

- a) The Director, Finance and Administration and the Director or his/her delegate, if the contract does not exceed twenty-five thousand dollars (\$25,000.00);
- b) The Director, Finance and Administration and the Director General if the contract exceeds twenty-five thousand dollars (\$25,000.00).
(R. 1569, 1616, 2577)

8.04 Signing Officers for Contracts related to sale of Educational or Other Services

The following shall be mandated to sign, for and on behalf of the College, any contract for the sale of educational or other services according to Article 5.05 of By-Law Number 5:

- a) The Director, Finance and Administration and the Director or his/her delegate, if the contract does not exceed twenty-five thousand dollars (\$25,000.00);
- b) The Director, Finance and Administration and the Director General, if the contract exceeds twenty-five thousand dollars (\$25,000.00).
(R. 1616, 2577)

Article 9 PROVISIONS IN CASE OF ABSENCE OR EMERGENCY

9.01 Absences

If any of the persons designated in By-Law Number 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.

9.02 Emergencies

If an emergency arises and all of the persons designated in By-Law Number 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.
(R. 2577)