
Approval of Payments

Policy Number:	2259
Key Process Area:	Finance
Owner:	VP FA
Current Approved Date:	April 1, 2010

POLICY STATEMENT

This policy is to ensure the proper authorization of payments.

PURPOSE

This policy is to ensure the proper authorization of payments.

SCOPE AND LIMITATIONS

This policy applies to all components of NBCC.

1.0 DEFINITIONS

Payment Authority

- approval to make a payment. This approval ensures the expense was incurred for government business, complies with legislative and government policy and goods have been received or services have been provided.

Release of Payment Authority

- gives the Comptroller and their designate the authority to make disbursements from the Consolidated Fund and the responsibility to control such disbursements, in accordance with the Financial Administration Act.

Spending Authority

- approval to spend funds out of the approved budget prior to making a purchase or commitment. Approval indicates sufficient funds are available to pay for the purchase (see responsibilities of departments).

2.0 IMPLEMENTATION

2.1 Responsibilities of the President

2.1.1 The President is responsible:

- a) for all expenditures made by NBCC. The President may authorize his employees to exercise responsibility on his behalf through written delegation of financial signing authorities. The right to delegate financial signing authorities is limited to the President. An official who is delegated authority by the President may not delegate such authority to another person, unless requested by the President and authorized in writing by the Comptroller.
- b) to ensure delegation of financial signing authorities are documented. NBCC components are required to maintain original documentation of spending and payment authorities.

A copy of the "Payment Authority Delegation Approval" form, outlining payment authority, must be filed with the Office of the Comptroller. Any changes to payment authorities, including persons acting on a temporary basis and any cancellations due to individuals ceasing to be employed by the NBCC component, must be forwarded to the Comptroller as they occur. When the President changes, signing authorities remain in effect unless the new President chooses to make changes.

2.1.2 Employees exercising spending authority are responsible and accountable:

- a) for expenditures charged to their budget;
- b) to ensure that no contracts are entered into or purchase orders are issued unless there are sufficient funds available; and
- c) to verify contract requirements and to ensure that prices quoted for goods or services are correct.

2.1.3 Employees exercising payment authority are responsible and accountable for the accuracy, authenticity, and legality of payments. Specific procedures to be performed are outlined in Appendix A.

2.1.4 Employees exercising release of payment authority are responsible to ensure transactions on the Release of Payment report agree with supporting documentation.

General

- a) No person shall exercise either spending or payment authority with respect to a payment from which he or she can personally benefit.
- b) Spending and payment authority must not be exercised by the same person for the same expenditure.
- c) Financial signing authority may be restricted to a financial limit that is relative with the duties and responsibilities of the position.
- d) Any special signing authority requirements must be approved in advance by the Comptroller.

The guidelines outlined within this policy also apply to Electronic Commerce transactions.

2.2 Responsibilities of the Vice President – Finance and Administration

The Vice President – Finance and Administration is responsible:

- a) to ensure payments are made in compliance with acts, regulations and policies;
- b) to designate release of payment authority to departments; and
- c) to approve controls surrounding electronic commerce applications.

2.3 Compliance

Under the Financial Administration Act, Section 12(f) the Vice President – Finance & Administration is responsible to ensure compliance with the provisions of this policy.

3.0 OTHER RELATED DOCUMENTS

Approval of Payments Appendix A (2259.4713)

Change Request Bank Signing Authority (2259.4973)

Financial Administration Act, Section 12(f)