

**CHAMPLAIN REGIONAL COLLEGE**  
**OF GENERAL AND VOCATIONAL EDUCATION**



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

This by-law was adopted for the first time by resolution number 1457 on March 26, 1993 and subsequently amended by resolutions:

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

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 and the capital budget shall be separate.

The **operating budget** covers operations expected to be completed within one year and shall be prepared on the basis of a provisional basic allocation from the Ministry. Such budget may be revised if the Ministry adjusts its allocation within the year.

The **capital budget** covers capital expenditures as defined by the Ministry. This budget is called "normalized" if the revenues thereof derive from statutory allocations and "specific" if the revenues thereof derive from grants for specific purposes determined 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)

### 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.

If, as a result of any revised allocation or any unforeseen circumstances, there are increases or decreases in the operating budget, these changes are approved by the Executive Committee at the time of the semi-annual budget review as described in Article 1.05.

## 1.04 Communication and Control

After the operating and capital budgets have been adopted by the Board, or when revisions have been made and approved by the Executive Committee, they shall be forwarded to the Director General and the Directors.

The Director of Financial Services 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)

## 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 of Financial Services 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)

## 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 of Financial Services 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.

#### **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 of Financial Services.

#### **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.

#### **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 in their entirety 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 of Financial Services shall submit to the Board a financial statement on the Development Fund.

### **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 of Financial Services shall submit to the Board a statement of the revenues, expenditures and activities of these funds.

## **Article 4 CAPITAL BUDGET**

### **4.01 General Provisions**

Transfers may not be made from the capital budget to the operating budget.

However, the Board may use part of the surplus of the operating budget for purchases or to absorb deficits in the capital budget, on condition that any such transactions are in accordance with the provisions of the budgetary policy and the budgetary and financial plan of the Minister. Furthermore, any such transfer is subject to the authorization of the government, if such transfer is subject to the application of Articles 6 and 18 of the Colleges Act concerning in particular the improvement and repair of buildings.

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.

### **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 of Financial Services 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)

## **Article 5 APPROVAL OF FINANCIAL TRANSACTIONS**

### **5.01 General Provisions**

Financial transactions must be approved on appropriate 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 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 of Financial Services or by the person or persons qualified to replace them by virtue of Article 8 of By-Law Number 5.

### **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 of Financial Services shall be informed of all approved transactions in order to control budgets and expenditures of the College.

The Director of Financial Services may suspend any transaction which does not appear to be in accordance with By-Law Number 5.

### **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 purchasing policy of the College;
- c) Must be signed by the Director and the person who has 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 two thousand five hundred dollars (\$2,500.00);
- d) Must be authorized by the Director of Financial Services and:
  - 1) by the Director and the person who has 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 two thousand five hundred dollars (\$2,500.00) and 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 of Governors, if the value of the transaction exceeds two hundred and fifty thousand dollars (\$250,000.00).  
(R. 1569, 1616, 2065)

#### **5.05 Offer for Sale of Educational or Other Services**

All transactions concerning the sale of educational or other services must be made within the overall budgetary envelopes of the operating budgets approved by the College.

- a) Before any offer for services prepared for an external organization is submitted to the party concerned, such offer:
- 1) must be approved by the Director, if the financial implications of the offer amounts to twenty-five thousand dollars (\$25,000.00) or less;
  - 2) must be approved by the Director General, if the financial implications of the offer exceed twenty-five thousand dollars (\$25,000.00) but not one hundred thousand dollars (\$100,000.00);
  - 3) must be approved by the Executive Committee, if the transaction exceeds one hundred thousand dollars (\$100,000.00) but not two hundred and fifty thousand dollars (\$250,000.00);
  - 4) must be approved by the Board, if the transaction exceeds two hundred and fifty thousand dollars (\$250,000.00).
- 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 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)

#### **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 of Financial Services, if the amount does not exceed twenty-five thousand dollars (\$25,000.00);
- b) by the Director of Financial Services and the Director General, if the amount exceeds twenty-five thousand dollars (\$25,000.00).

#### **6.02 Salaries**

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

**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 of Financial Services.

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

**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 or by a signing machine and, in both cases, the joint signatures of two (2) of the following officers shall be required: the Chairman of the Board, the Director General, the Director of Financial Services 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)

**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 of Financial Services for and on behalf of the College.

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

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

**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 as soon as possible.