
POLICY ON DELEGATION OF FINANCIAL SIGNING AUTHORITIES

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Enquiries	Manager Corporate Financial Services Finance and Administration

1. Introduction

This policy amplifies the application of authorities delegated by the Minister of Health and the President of CIHR through the Delegation of Financial Signing Authorities. It provides a reference tool for CIHR for determining delegated financial authorities and provides guidance in the interpretation and application of the authorities for financial administration.

2. Policy Objective

The purpose of this policy is to ensure that appropriate financial and operational management controls are applied to the decision process in spending public money and that they contribute to the effectiveness of program delivery and to the accountability of the authority process.

It is government policy to entrust its ministers and deputy/agency heads with the responsibility to delegate financial and operational authority to managers in order to enable them to administer programs under their jurisdiction.

2.1. The attached delegation of financial signing authorities chart (Appendix A) represents the formal instrument through which the President of the Canadian Institutes of Health Research and the Minister of Health Canada have delegated their authority to organizational positions of CIHR. The Program Management has been segregated into two distinct functions, *Management* which identifies positions directly accountable for the program delivery of CIHR and *Corporate Operations*, which identifies positions that provides the required administrative support for the achievement of CIHR's mandate. Appendix B provides the position equivalency in support of delegation instrument.

3. Authorities and References

3.1. *Financial Administration Act*:
Section 32, 33 and 34;
Debt Write-off Regulations, 1994.

3.2 *CIHR Act*

3.2. Treasury Board Manual, *Comptrollership*:
Chapter 2-1, Policy on Delegation of Authorities;
Chapter 4-7, Policy on Losses of Money and Offences and Other Illegal Acts
Against the Crown

3.3. Treasury Board Manual, *Contracting*

3.4. Treasury Board Manual, *Real Property, Material and Risk Management*

3.5. Treasury Board Manual, Employee Entitlements. *Hospitality*

3.6. Treasury Board Manual, Policy on Claims and Exgratia Payments

4. Application

The types of authorities delegated through this chart relate directly to pertinent sections of the FAA. An explanation of these authorities, which are represented by the horizontal heading on the chart, is as follows:

4.1 Spending Authority

There are four subdivisions to spending authority as described in details below.

4.1.1 Commitment Authority (Section 32 of the FAA) (Columns 1, 2): This is the authority delegated by the Minister to certify that a sufficient unencumbered balance of funds remains in the appropriation to discharge the commitment.

4.1.2 Expenditure Initiation (Columns 3 to 21): This authority is exercised when decisions are made to obtain goods, services or employee related authorities' expenses that will result in the eventual expenditure of public funds, such as the requisitioning of supplies, the hiring of staff, to authorize travel for program purposes, etc.

4.1.2.1 Grants and Awards (Column 3): This authority is exercised by signing an Authorization for Funding, which formally announces the approval of a grant or award.

4.1.2.2 Institute Support Grants (Column 4): This authority is exercised by signing an Agreement on the operation of each of CIHR's 13 Institutes. The approval is delegated by the Minister to the President of CIHR only.

4.1.2.3 Employee Related Authorities (Columns 5 to 15): These items represent the whole range of employee's related expenses and charged to operating expenditures.

4.1.2.4 Goods and Services (Columns 16 to 21): These items represent the whole range of goods and services purchased by CIHR and charged to operating expenditures.

4.1.2.5 Hospitality (Column 13): This is the authority to approve the extension of hospitality in accordance with CIHR Hospitality Policy and Guidelines. All hospitality provided must be pre-authorized by an officer with delegated signing authority and must be approved in accordance with relevant TB and CIHR policies and directives.

4.1.3 Contracting authority (Columns 22 and 23): This authority is exercised when a formal agreement with outside suppliers is entered into for the purchase of goods and/or services. These are represented by items such as purchase orders, requisitions on PWGSC and formal contracts.

4.1.4 Contract Performance (Section 34 of the FAA) (Column 24): This authority is delegated by the Minister to certify that work has been performed, goods and services satisfactorily provided and contracts executed in accordance with contractual terms and conditions. For grants and awards, Section 34 certifies the continuing eligibility of the grant /award recipient to receive funds. No expenditure can be made without a Section 34 certification.

4.2 Payment Authority (Section 33 of the FAA) (Columns 25 to 29):

This authority is delegated by the Minister only to Financial Officers and Human Resources Officers of departments to requisition payments that are charged to appropriations. This is done after reviewing the legality of payments before they are requisitioned, exercising appropriate financial controls and ensuring that the statutory and regulatory requirements for the control of funds are met.

4.3 Other Approval (Columns 30 to 38)

4.3.1 Specified Purpose Accounts (Column 30): This authority refers to the creation and management of the Special Purpose Accounts.

4.3.2 Collaborative Funding Agreements & MOU's (Column 31): This authority is exercised by the signing of a Collaborative Funding Agreement or Memorandum of Understanding with another organization(s). The limits specified represent the maximum amount that organizational positions may commit to, under the terms of any Collaborative Funding Agreement or MOU.

4.3.3 Ex Gratia Payments (Column 32): Refers to benevolent payments made under the authority of the Governor in Council to anyone, in the public interest for loss or expenditure incurred for which there is no legal liability on the part of CIHR.

4.3.4 Debt Write-Off (Column 33): Refers to the authority to remove from the accounts receivable of CIHR a debt that meets one of the specified criteria as promulgated by the Treasury Board Secretariat (note: a debt which is deleted is not extinguished or remitted and, subject to provincial statutes of limitations, may be collected if circumstances change).

4.3.5 Loss of Money (Column 34): Refers to the authority to approve the write-off of monies which would otherwise be due to the CRF by an employee but which, as a result of investigation, are determined to have been lost in circumstances such that gross negligence is not a determining factor.

4.3.6 Inventory Write-Off and Disposal of Material (Column 35): Refers to the write-off or write down of inventory items and disposal of material (i.e. technical and informatics equipment, etc.).

4.3.7 Claims against the Crown (Column 36): This authority allows the President to settle claims regarding legal liability against the Crown.

4.3.8 Recovery from Public Servants (Column 37): This is pursuant to the FAA (section 155 (1), which is the authority to retain any amount owing the Crown

4.3.9 Waive of Reduce Interest Charges (Column 38): This is the authority to waive or reduce interest charges in certain instances as per the TB policy on interest.

5. Principles

Personnel authorized to exercise signing authority will be held accountable for any improper expenditures of public funds for which they are responsible.

5.1 Authority is delegated to positions and not to individual persons. Incumbents of these positions cannot delegate their own authority. Such delegation may only come from the first supervisory level above the position affected. For example, Directors who would like to designate a subordinate to act on their behalf must provide for an official designation signed by the Vice President of their portfolio before any delegation can be effected.

5.2 No person shall exercise either payment or spending authority with respect to a transaction from which that person can personally benefit, such as expenditures for travel, relocation, hospitality, reimbursement of tuition fees, etc.

5.3 No person occupying a position on an acting basis shall exercise the financial authorities given to that position unless properly authorized in writing by an officer to whom the normal incumbent of the position reports;

5.4 Authority to confirm performance price under Section 34 of the FAA, and payment authority under Section 33 of the FAA must not be exercised by the same person with respect to a particular payment. This principle recognizes the need for a division of duties to maintain probity.

5.5 For sections 33 and 34 of the FAA, a system of Specimen Signature cards is used to identify the incumbent of a position to whom signing authority has been delegated.

6. Notes to the delegation of financial signing authorities chart

6.1 Notes at the bottom of the document are an important part of the delegation process since they place limits and define parameters under which signing authorities can be exercised.

For example, Note 1 states that authorities are limited only to those that have been delegated to the CIHR by central agencies or through specific legislation.

Note 2 specifies the exercising signing authorities are subject to the various regulations and policies which CIHR itself establishes. See Appendix C for the financial limits of the various policies.

The other notes similarly specify other limitations to the exercising of financial signing authority.

**APPENDIX A
EQUIVALENT DEFINITIONS
CIHR DELEGATION OF FINANCIAL
SIGNING AUTHORITIES CHART**

The definitions, hereunder, are provided in order to help clarify the CIHR Delegation of Authorities Chart under appointed roles and functions.

PROGRAM MANAGEMENT: has been segregated into two distinct functions:

- 1) **Management:** Identifies positions directly accountable for the program delivery of CIHR. It applies to area of responsibility.
- 2) **Corporate Operations:** Identifies positions that provide the required administrative support for the achievement of CIHR's mandate.

POSITION TITLE

1) MANAGEMENT SECTION

- **Director or equivalent:** includes Corporate Secretary and CIO.
- **Deputy Director, Manager, Head or equivalent:** includes Senior Ethics Policy Advisor, Lead, Chief of Staff, Deputy Corporate Secretary, Deputy CIO and direct report to Institute Scientific Director employed in Ottawa (Does not include Institute Assistant Director located outside NCR).

Team Leader or equivalent: includes Project Officer or other assigned as lead to specific project, Associate, Strategic Resource Alignment.

2) CORPORATE OPERATIONS SECTION

- **Manager, Corporate Financial Services or equivalent:** includes Manager, Financial Administration, Grants & Awards; Project Manager, Modern Comptrollership; and Manager, Financial Planning & Advisory Services.
- **Financial Officer or equivalent:** includes Financial Advisor, Financial Systems Officer; Financial Reporting & Analysis Officer; and Senior Accounting Operations Officer.

**APPENDIX B
SIGNING AUTHORITIES SPENDING AUTHORITY
AND COST MATRIX FOR HOSPITALITY**

The following table identifies the signing authorities for hospitality in Canada.

Hospitality - Signing Authorities				
	Minister of Health	President	Vice-Presidents	Directors
Function	Over \$5,000	Up to \$5,000	Up to \$1,500	Up to \$1,500
Exceptional forms of hospitality including travel costs for spouse or accompanying person, entertainment or tours	■	■		
Where attendees are all Government employees	■	■	■	
Costs exceeding maximum per person cost limits (see Financial Limitations)	■	■	■	
Inclusion of spouse (or other accompanying person)	■	■	■	
Cost of any single function	■	■	■	■
Non-alcoholic beverages only	■	■	■	■