

# BY-LAW 3 CONCERNING THE FINANCIAL MANAGEMENT OF THE COLLEGE

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# ***BY-LAW 3 – CONCERNING THE FINANCIAL MANAGEMENT OF THE COLLEGE***

## **Table of Contents**

<b>ARTICLE 1 - GENERAL PROVISIONS.....</b>	<b>1</b>
1.1 DEFINITIONS.....	1
1.2 DESIGNATION.....	1
1.3 BUDGET APPROVAL.....	1
1.4 COMMUNICATION AND CONTROL.....	2
1.5 ROUTINE BUDGETARY CONTROL.....	2
1.6 PERSONAL LIABILITY.....	2
1.7 LIST OF PERSONS WITH SIGNING AUTHORITY.....	2
1.8 FINANCIAL AUDIT.....	2
1.9 FINANCIAL STATEMENTS.....	3
<b>ARTICLE 2 - OPERATIONAL BUDGET.....</b>	<b>3</b>
2.1 GENERAL PROVISIONS.....	3
2.2 GENERAL RULE.....	3
2.3 AUTHORIZATION.....	3
<b>ARTICLE 3 - DEVELOPMENT FUND.....</b>	<b>3</b>
3.1 CREATION OF A DEVELOPMENT FUND.....	3
3.2 COMPOSITION OF THE DEVELOPMENT FUND.....	4
3.3 UTILIZATION OF THE DEVELOPMENT FUND.....	4
3.4 TERMS AND CONDITIONS FOR THE UTILIZATION OF THE FUND.....	4
<b>ARTICLE 4 - CAPITAL BUDGET.....</b>	<b>4</b>
4.1 GENERAL PROVISIONS.....	4
4.2 GENERAL RULE.....	5
4.3 APPLICATION.....	5
<b>ARTICLE 5 - APPROVAL OF FINANCIAL TRANSACTIONS.....</b>	<b>5</b>
5.1 GENERAL PROVISIONS.....	5
5.2 AUDIT AND CONTROL.....	5
5.3 HIRING OF REGULAR EMPLOYEES (NON-TEACHING).....	5
5.4 GOODS AND SERVICES.....	6
5.5 SALE OF SERVICES.....	7
5.6 TRANSACTIONS CARRIED OUT AS TRUSTEE.....	8
<b>ARTICLE 6 - BANKING TRANSACTIONS.....</b>	<b>8</b>
6.1 CHOICE OF INSTITUTION.....	8
6.2 BANK LOANS.....	8
<b>ARTICLE 7 - SIGNATORIES FOR SPECIFIC PURPOSES.....</b>	<b>8</b>

7.1 SIGNATORIES OF NEGOTIABLE INSTRUMENTS .....8

**ARTICLE 8 - PROVISIONS IN THE EVENT OF ABSENCE ..... 9**

8.1 IN THE EVENT OF ABSENCE .....9

**ARTICLE 9 - RESPONSIBILITY..... 9**

**ARTICLE 10 - EFFECTIVE DATE ..... 9**

# ***BY-LAW 3 – CONCERNING THE FINANCIAL MANAGEMENT OF THE COLLEGE***

## **ARTICLE 1 - GENERAL PROVISIONS**

### **1.1 Definitions**

The definitions set forth in By-law 1 - Concerning the General Administration of the College also apply to this By-law.

- 1.1.1 *"budget"* refers to a planning document which includes both anticipated revenues and expenses. The operational budget and the capital budget shall be separate.
- 1.1.2 The *"operational budget"* covers operations expected to be completed within one year and shall be prepared on the basis of a provisional basic allocation from the Minister. Such budget may be revised if the Minister readjusts its parameters within a revised allocation.
- 1.1.3 The *"development fund"* is a sub fund of the operational budget and is reserved by the College for specific purposes.
- 1.1.4 The *"capital budget"* covers capital expenditures as defined by the Minister. This fund is called "normalized" if the revenues come from statutory allocations and "specific" if the revenues come from allocations earmarked for specific purposes defined by the Minister.
- 1.1.5 *"fiscal year"* within the meaning of this By-law is the period beginning on July 1 of a calendar year and ending on June 30 of the following year.

### **1.2 Designation**

The present By-law, designated as Number 3, establishes the rules concerning the financial management of the College.

### **1.3 Budget Approval**

The Board adopts the operational budget and capital budget for each fiscal year and submits them to the Minister for approval pursuant to Section 25 of the Act.

#### **1.4 Communication and Control**

On a periodic basis, by means of computer media or a written report, the Comptroller makes financial data available to each of the managers identified in Article 1.7 concerning the operational budgets granted to each department.

#### **1.5 Routine Budgetary Control**

Control and coordination of the College's overall budget operations are the responsibility of the Director General and Director of Finance & Legal Affairs, as laid down in By-law 1 of the College.

Nonetheless, subject to the preceding paragraph, the routine budgetary control of the College's divisions and departments is assumed by the officers of the College or by the individual delegated to that end as responsible for a department. The person responsible for a department must be authorized and appointed expressly by the Director of the division to whom he/she reports on the organization chart.

#### **1.6 Personal Liability**

Any expenditure or commitment not specified in the budgets or not specifically authorized under this By-law can entail the personal liability of the person who made or allowed it and is not binding on the College. Any expenditure must comply with budget restrictions and the purposes for which the budget was granted.

#### **1.7 List of Persons with Signing Authority**

The Director General shall ensure that a list of individuals with signing authority for budget purposes is prepared and is in conformity with Article 5 hereof. This list of signing authorities shall specify the areas of responsibility in relation to budget as well as the names of those in charge in those areas of responsibility. This list is updated yearly by the Directors of the College.

The Director General may appoint a delegate in writing in case of absences or alter this list during the year provided that such modifications are in conformity with Article 5 hereof.

#### **1.8 Financial Audit**

The College's accounts and annual financial report are reviewed by an external auditor hired in conformity to Policy No. 3 "Concerning the Hiring and Evaluation of an External Auditor".

The mandate given to the external auditor must comply with the provisions of the government regulation concerning audit of financial statements of general and vocational colleges.

## **1.9 Financial Statements**

At the end of each fiscal year, the financial statements and external auditor's report are submitted to the Board for consideration and, if deemed appropriate, approval and subsequently submitted in their entirety to the Minister.

## **ARTICLE 2 - OPERATIONAL BUDGET**

### **2.1 General Provisions**

Within the operational budget, transfers shall be allowed under certain items according to the rules decreed annually by the Minister in the budgeting policy applicable to colleges.

Subject to the foregoing, transfers within the operational budget must respect the following rules:

### **2.2 General Rule**

Provided the overall operational budget envelope approved by the Board is respected, budget transfers may be made during a fiscal year for allocations for various types of expenditures.

### **2.3 Authorization**

Where permitted by the Minister, budgetary transfers shall be authorized:

2.3.1 within the budgets of an area of responsibility, by the Director of the said area of responsibility, or, under the authority of such Director, by a member of senior or management personnel designated by the Director;

2.3.2 in the case of transfers between areas of responsibility, by the Director General.

## **ARTICLE 3 - DEVELOPMENT FUND**

### **3.1 Creation of a Development Fund**

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

### **3.2 Composition of the Development Fund**

The development fund shall be composed of sums set aside annually by the Board.

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.

### **3.3 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 nor if such projects have been denied funding.

### **3.4 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. Expenditures financed by this fund shall be in accordance with all College policies. At the end of the fiscal year, the Director of Finance & Legal Affairs shall submit to the Board a financial statement on the development fund.

## **ARTICLE 4 - CAPITAL BUDGET**

### **4.1 General Provisions**

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

However, the operational budget may be used for capital acquisitions. These transactions must comply with the provisions of the Minister's budget policy and budget and fiscal plan. The transfer of these amounts must, however, also be authorized by the government if it is subject to application of Sections 6 and 18 of the Cegep Act concerning, in particular, the improvement and repair of buildings.

Within the capital budget, transfers are not possible between expenses related to moveables and those for immovables without explicit authorization from the Minister.

Subject to the foregoing, transfers within the capital budget are submitted to the following rules:

## 4.2 General Rule

Provided the overall normalized capital budget envelope approved by the Board is respected, and taking into account the regulations and directives in effect, transfers affecting the normalized budget may be made during the fiscal year.

## 4.3 Application

The Director of Facilities Management & Information Technology Services is responsible for deciding on any transfers affecting the normalized capital budgets.

# ARTICLE 5 - APPROVAL OF FINANCIAL TRANSACTIONS

## 5.1 General Provisions

The approval of financial transactions must be carried out on appropriate forms clearly identifying the individuals empowered to act on the College's behalf for the purposes of approval and bearing the signatures of the individuals with signing authority under this article.

When a financial transaction requires the approval of the Board or the Executive Committee, the application form must show, under the signature of the Director General and of either the Director of Finance & Legal Affairs or Comptroller, or the individuals empowered to replace them within the meaning of this By-law, that the transaction complies with the stipulations of the applicable government regulations, the Minister's budget policy and this By-law concerning financial management.

## 5.2 Audit and Control

The Comptroller must be informed of each approved transaction so that he/she may conduct appropriate control concerning compliance with, and the status of, the College's budgets.

The Comptroller will advise the Director of Finance & Legal Affairs to stop or cancel any transaction approval which does not demonstrate *prima facie* compliance with the stipulations of this By-law.

## 5.3 Hiring of Regular Employees (Non-Teaching)

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 7 of the College Concerning Human Resources Management.

Persons other than those referred to in the preceding paragraph shall be engaged only in accordance with the provisions of Article 5.4 of the present By-law.

#### 5.4 Goods and Services

Any transaction relative to the purchase, sale, rental to a third party or rental from a third party of goods or services or reimbursement of expenses, as well as any transaction relative to the improvement and maintenance of immovable property or maintenance and repair of moveable property:

5.4.1 must be negotiated in compliance with the overall budget envelopes determined on the basis of Article 1.3;

5.4.2 must be documented and negotiated in compliance with the stipulations of the College's purchasing policy as stipulated in By-Law 9 "Concerning Procurement, Service and Construction Work Contracts";

5.4.3 must respect that for all acquisitions and expenses (other than hiring and service contracts above \$10,000.00 for an individual and above \$25,000.00 for an enterprise) for which an operational or capital budget has been approved in a fiscal year, the signing authorities and their limits are as follows:

a)	Department head, or other employees as delegated by the Manager, Coordinator or Director	up to	<b>\$750.00</b>
b)	Coordinators or Managers	up to	<b>\$5,000.00</b>
c)	Coordinator of International program	up to	<b>\$10,000.00</b>
d)	Directors and Comptroller	up to	<b>\$25,000.00</b>
e)	The Director General, the Academic Dean, the Director of Facilities Management & Information Technology Services or the Director of Finance & Legal Affairs	up to	<b>\$50,000.00</b>
f)	The Director General and either the Comptroller or the Director of Finance & Legal Affairs or the Director of Facilities Management & Information Technology Services	above	<b>\$50,000.00</b>

#### 5.4.4 Non-budgeted items

Must respect that for all acquisitions and expenses (other than hiring and service contracts) for which an operational or capital budget has not been approved in a fiscal year, the signing authorities and their limits are as follows

- |    |                                                                                                                                                                       |                       |                                            |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------|
| g) | The Director General and either the Comptroller or the Director of Finance & Legal Affairs or the Director of Facilities Management & Information Technology Services | up to                 | <b>\$50,000.00</b>                         |
| h) | Executive Committee                                                                                                                                                   | from<br>to            | <b>\$ 50,000.00</b><br><b>\$100,000.00</b> |
| i) | Board of Governors                                                                                                                                                    | for sums in excess of | <b>\$100,000.00</b>                        |

#### 5.4.5 Service Contracts

In accordance with the “*Act respecting workforce management and control within the government departments, public sector bodies and networks and state-owned enterprises* (L.Q. 2015, ch. 17)”, any service contracts with an individual for an amount of \$10,000.00 and above must be approved by the Director General as per resolution # 365-07.

Any service contracts with an enterprise for an amount of \$25, 000.00 and above must be approved by the Director General as per resolution # 365-07.

## 5.5 Sale of Services

Any transaction with respect to the sale of services must be negotiated in compliance with the overall budget envelopes of the College's operational budget.

5.5.1 Before being officially sent to the interested party, any offer of services drafted for an outside body:

5.5.1.1 must be approved by the Director of the sector of responsibility when the financial considerations of the offer are \$50,000 or less;

5.5.1.2 must be approved by the Director General and the Director of the sector concerned when the financial considerations of the offer are more than \$50,000;

5.5.2 On submission of an offer of services, the payment of any deposit required as security must be authorized by the same authority that has the mandate to approve the offer.

5.5.3 Any contract for sale of training services to outside bodies:

5.5.3.1 must, prior to signing, be previously authorized by the Director of the sector of responsibility.

## **5.6 Transactions Carried Out as Trustee**

Notwithstanding the stipulations of Articles 5.1 through 5.5 of this By-law, the Director General is empowered to authorize any financial transaction which the College may be led to carry out when acting formally, on a given issue, as trustee of a Ministry, agency or government body.

## **ARTICLE 6 - BANKING TRANSACTIONS**

### **6.1 Choice of Institution**

The Board authorizes by resolution the banking institutions with which the College can deal in the context of its financial operations.

### **6.2 Bank Loans**

Temporary bank loans made on the lines of credit granted to the College by the Minister are authorized by any two of the following officers of the College: the Director General, the Academic Dean, the Director of Finance & Legal Affairs and the Comptroller.

Subject to the stipulations of the legislation, authorization from the Board is required for contracting any type of loan.

## **ARTICLE 7 - SIGNATORIES FOR SPECIFIC PURPOSES**

### **7.1 Signatories of Negotiable Instruments**

Any promissory note, bill of exchange, warrant, cheque or other payment authorization requiring the signature of the College is signed either by hand or mechanically, and, in either case, the joint signature of two of the following officers of the College is required: the Director General, Academic Dean, Director of Finance & Legal Affairs, Director of Facilities Management & Information Technology Services, Comptroller.

## **ARTICLE 8 - PROVISIONS IN THE EVENT OF ABSENCE**

### **8.1 In the Event of Absence**

In the event of the absence or inability to act of any of the Directors designated in this By-law, except the Director General, his/her superior is empowered to carry out, for him/her and on his/her behalf, the budget transfers, approvals of financial transactions, payments of financial transactions and banking transactions which the said Director him/herself had the authority to carry out.

In the case of the Director General's absence or inability to act, and only if it is an emergency situation where he/she cannot be reached, the Academic Dean, Director of Finance & Legal Affairs or Director of Facilities Management & Information Technology Services, acting alone, is empowered to carry out, for the Director General and on his/her behalf, the budget transfers, approvals of agreements, undertakings and financial transactions, payments of financial transactions and banking transactions which the Director General had the authority to carry out. Upon his/her return or ability to act, the Director General shall retroactively sign said transfers, approvals, payments or transactions, as the case may be.

The Director General may designate a replacement for an officer who is temporarily absent. The Executive Committee or Board may designate a replacement for the Director General should he/she be temporarily absent.

## **ARTICLE 9 - RESPONSIBILITY**

The Director of Finance & Legal Affairs is responsible for the application of this By-Law.

## **ARTICLE 10 - EFFECTIVE DATE**

This By-Law comes into effect when enacted.