

ADMINISTRATIVE DIRECTIVE

Category: Finance

Financial Spending Approval Authority

Directive Number: FIN-100

Approved by: CAO/CLT, December 6, 2018

Administered by: Finance, Accounting Services

Effective Date: December 6, 2018

1. Purpose

The purpose of this Administrative Directive is to establish business rules and guidelines with respect to the City of Brampton's (the "City") financial spending approval authority. It outlines to whom and when financial spending approval authority may be delegated.

2. Application and Scope

This Administrative Directive applies to all City staff responsible for financial spending decisions for their respective cost centres.

2.1 Exceptions

This Administrative Directive does not apply to the following delegated authorities:

- a) The procurement of goods, services or construction - governed by the Purchasing By-Law;
- b) Authority inherently granted by a staff's position, role and title at the City in accordance with the Municipal Act, other statutory requirements or in accordance with other City policies and procedures (e.g. Treasurer, Deputy Treasurer);
- c) Bank Signing Authorities;
- d) Use of financial instruments;
- e) Investment trading; and
- f) Debt arrangements.

3. Outcomes

- Delegation of financial spending approval authority is responsibility and risk-based; and
- Any outlay of financial resources of the City will be prudent, fiscally responsible and within budgeted allocations.

4. Mandatory Requirements

4.1 Financial Spending Approval Authority Assigned to Positions

- a) Financial spending approval authority is assigned at the discretion of the Department Head and can only be approved by the Department Head.
- b) Financial spending approval authority will only be assigned to positions in which the incumbent has direct financial responsibility for monitoring operating or capital accounts.
- c) Staff with financial spending approval authority are expected to manage their area of responsibility within the limits of the approved operating and capital budget.
- d) A staff member who has been appointed in an “acting” capacity assumes all the authorities and responsibilities of that position.
- e) Financial spending approval authority may only be delegated to another individual who meets the minimum requirement for financial spending approval authority levels specified in section 4.2.
- f) Delegated financial spending approval authority once assigned, cannot be further delegated.
- g) Delegating of an individual’s financial spending approval authority does not release their financial accountabilities of that position.

4.2 Financial Spending Approval Authority Levels

Financial spending approval authority level will be assigned based on an individual’s area of financial responsibilities and a risk assessment. Financial spending approval authority levels are outlined below:

4.2.1 FINANCIAL SPENDING APPROVAL AUTHORITY LEVEL FOR OPERATING EXPENDITURES

Transaction	Minimum Approval Required
Up to \$25,000	Any Permanent Full-Time Employee
Up to \$50,000	Supervisor or equivalent with cost centre responsibilities
Up to \$200,000	Senior Manager, Manager
Up to \$500,000	Director
Over \$500,000	Chief Administrative Officer (‘CAO’), Treasurer, Deputy Treasurer or Department Head

4.2.2 FINANCIAL SPENDING APPROVAL AUTHORITY LEVEL FOR CAPITAL EXPENDITURES

Transaction	Minimum Approval Required
Up to \$100,000	Supervisor or equivalent with project/cost centre responsibilities
Up to \$500,000	Senior Manager, Manager
Up to \$1,000,000	Director
Over \$1,000,000	CAO, Treasurer, Deputy Treasurer or Department Head

4.2.3 APPROVAL REQUIREMENT FOR ENTERTAINMENT OR HOSPITALITY EXPENSES

Person Who Incurred Expense	Minimum Approval Required
Department Staff (including Senior Manager, Manager)	Not permitted to incur expense
Director	Department Head
CAO/Department Head	Treasurer or Deputy Treasurer

4.2.4 APPROVAL REQUIREMENT FOR OTHER EMPLOYEE EXPENSES (INCLUDING BUSINESS MEALS, MILEAGE, OVERTIME MEALS AND PROFESSIONAL MEMBERSHIPS)

From time to time City staff incur expenses for which they require personal reimbursement (such as business meals and mileage) or receive goods or services directly related to their job function such as professional memberships. The following approval levels are required for such employee related reimbursable expenses:

Person Who Incurred Expense	Minimum Approval Required
<u>Overtime Meals and Mileage</u> - Department Staff (excluding Senior Manager, Manager)	Supervisor or equivalent with cost centre responsibilities
<u>All other employee expenses</u> - Department Staff (excluding Senior Manager, Manager)	Senior Manager, Manager
Senior Manager, Manager	Director
Director	Department Head
CAO / Department Head	Treasurer or Deputy Treasurer

4.2.5 APPROVAL REQUIREMENT FOR TRAVEL EXPENSES

Travel Location	Attendee	Minimum Approval Required
Within Ontario	Department Staff up to and including Department Head	Supervisor or equivalent with cost centre responsibilities
Outside Ontario and within Canada	Department Staff up to and excluding Director level	Director
Outside Ontario and within Canada	Director	Department Head
Outside Ontario and within Canada	Department Head	CAO
Outside Canada	All Staff	CAO
Outside Canada	CAO	Mayor

4.2.6 APPROVAL REQUIREMENT FOR OTHER ITEMS

Description	Lowest Organizational Level Eligible for Spending Authority
Invoices / Accounts Payable Payment Requisitions / P-Card Transactions	Permanent Full-Time Employee in accordance with section 4.2 above.
Petty Cash/Cash Float	Supervisor or equivalent with cost centre responsibilities in accordance with section 4.2 above.
Transfer Journals	Supervisor or equivalent with cost centre responsibilities in accordance with section 4.2 above.

4.2.7 NARRATIVE

- a) Any variations to the financial spending approval authority set out in this Administrative Directive must be approved by both the respective Department Head and City Treasurer or Deputy Treasurer.
- b) No City staff may approve their own expense.
- c) Splitting a transaction for the purpose of meeting a financial spending approval authority level is not permitted.

5. Roles and Responsibilities

5.1 Employee:

- a) Fully understand and comply with this Administrative Directive;
- b) Understand the financial spending approval authority assigned to them and the responsibilities associated with it;
- c) Exercise integrity and good business judgment when using the assigned financial spending approval authority;
- d) Financial resources are spent only in the performance and benefit of City business; and
- e) Ensure usage of appropriate general ledger account classification and verify that funds are available within approved budgets before using their financial spending approval authority.

5.2 Department Head:

- a) Ensure employees are in compliance with the rules and requirements of this Administrative Directive and take appropriate corrective actions when required;
- b) Accountable for the purchasing and expenditure decisions exercised by the delegate to which they have granted the financial spending approval authority; and
- c) Responsible for updating or revoking financial spending approval authority for any status changes for City staff, including change in departments, authority levels or employment status with the City.

5.3 Finance:

- a) Provide advice and direction on interpretation and application of this Administrative Directive; and
- b) Monitor compliance and follow up on those financial spending approval authorities not in compliance.

6. Monitoring and Compliance

It is the Supervisor or cost centre owner's responsibility to monitor and ensure their respective staff's compliance with this overall Administrative Directive.

Monitoring and compliance of the use of the assigned financial spending approval authority will be conducted by Finance staff through a review and approval of each financial transaction.

6.1 Consequences of non-compliance

Failure to follow this Administrative Directive may result in:

- a) Processing delays;
- b) Loss of financial spending approval authority privileges and/or disciplinary actions up to and including termination.

7. Definitions

7.1 CAO means the City's Chief Administrative Officer appointed by By-law 84-2008.

7.2 Council means the elected Council of The Corporation of the City of Brampton.

7.3 Department means a Department with a Council appointed Commissioner or officer as the Department Head and includes the General Manager of Transit and Fire Chief.

7.4 Department Head means the Commissioner or head of an operating Department appointed by Council.

7.5 Director means head of a Division reporting directly to the CAO or Department Head.

7.6 Division means part of a Department whose head reports directly to the CAO.

7.7 Supervisor means staff that may have financial responsibility for monitoring operating or capital accounts as determined by the Department Head.

7.8 Treasurer means the Treasurer of the Corporation appointed by Council pursuant to By-law 84-2008 and includes the Deputy.

8. References and Resources

References to related bylaws, Council policies, and administrative directives

- Employee Business Expenses Administrative Directive
- Purchasing By-law
- Administrative Authority By-law

Revision History

Date	Description
2018/02/08	Replaces 13.16.0 Financial Spending Authority Policy - June 1, 2015
2018/12/06	Amended to include references to permanent full time employees (s.4.2.6) and remove P-Card Register Approval
2020/02/08	Next Scheduled Review