



Issue Date: <b>Feb 2008</b>	Effective Date: <b>Feb 5, 2008</b>	Responsible Agency: <b>Comptroller General</b>	Directive No: <b>802-1</b>
Chapter: <b>Control of Expenditures</b>			
Directive Title: <b>FINANCIAL SIGNING AUTHORITIES</b>			

## 1. POLICY

The *Financial Administration Act (FAA)* gives primary financial authority to the Financial Management Board, the Minister of Finance, other Ministers, the Comptroller General, and Deputy Heads. Various aspects of this primary authority may be delegated to other public officers or service contractors attached to government departments. Sound financial management supports delegation of signing authority within an organization to the levels best able to exercise it in a financially prudent manner.

## 2. DIRECTIVE

Financial signing authority permits approval of government expenditures, commitments, disbursements, billings, General Ledger entries, and similar transactions. This authority is delegated to expenditure officers, accounting officers, and other signing authorities according to the provisions of this directive, and subject to the *Financial Administration Act*, Regulation 9918 and Directive 802, and describes the most common types of signing authorities delegated. Signing authorities at variance with this directive such as single authority disbursements may be provided for by other legislation.

## 3. PROVISIONS

### 3.1. Powers and Duties of Expenditure Officers and Accounting Officers

*S. 44(1) and 49(2)* of the *FAA* require an expenditure officer and an accounting officer to certify that the conditions of these sections of the *FAA* have been met before an expenditure can be incurred, or a disbursement can be made.

### 3.2. Designation of Expenditure Officers and Accounting Officers



- 3.2.1. The *FAA S.40* requires Ministers to designate expenditure officers and accounting officers for their departments by reference to their names or positions. This authority has been delegated to Deputy Heads by way of Appendix A of Directive 802.
- 3.2.2. The *FAA S.43* gives the Board authority to fix monetary limits for expenditure and accounting officers. This authority is delegated to Ministers and Deputy Heads by Regulation 9918(5)(1). Appendix A of this directive sets up maximum monetary limits for the expenditure and accounting authorities.
- 3.2.3. The Comptroller General is required to approve the designation of every accounting officer as set out in *FAA S.42(1)*, but the authority may be delegated. In accordance with *FAA S.13(2)* and this directive, the Comptroller General delegates this authority to Deputy Heads. This authority may be sub-delegated by Deputy Heads to CFOs. Only public officers in financial positions shall be designated as accounting officers.
- 3.2.4. Public officers, including casual, temporary or seconded employees, and individuals doing business as service contractors attached to Government departments may be designated as accounting officers and expenditure officers (*FAA S.40(1)*). A corporation is not eligible to be so designated (*FAA S.41(4)*).
- 3.2.5. A person may be designated as both expenditure officer and accounting officer, but no person shall act as both expenditure officer and accounting officer in the same transaction (*FAA S.41(3)*), unless required to by other legislation (e.g. the requirement for social workers to issue emergency cheques).
- 3.2.6. The Deputy Head of each department must approve all expenditure and payment authorities by position for his/her department by signing the Financial Signing Authorities Spreadsheet – See Appendix B attached.
- 3.2.7. A designated expenditure officer or accounting officer must be identified by name (with any limitations or restrictions noted) on a Specimen Signature Record (SSR) - See Appendix C attached. The supervisor must approve the SSR form. A copy of all new, changed, or terminated documents must be provided to the Office of the Comptroller General, Department of Finance.

### 3.3. Delegation of Financial Signing Authority

- 3.3.1. Delegation of financial signing authority is the means by which designated individuals are empowered to exercise specific authorities for financial transactions on behalf of the government. The most common categories of financial signing authority include:
- a) expenditure authority (spending authority): the authority for an expenditure officer to enter into agreements to incur expenditures and commit funds against appropriations, within delegated limits. This includes initiation authority, commitment verification and approval authority. See *S.44(1)(a) and S.49(2)(a)* of the *FAA*.
  - b) contract authority: a Minister, Deputy Head or public officer delegated the powers and duties of a contract authority in accordance with the Government Contract Regulations 9904 under the *FAA*. No person other than a contract authority or the Executive Council may initiate expenditures by entering into a contract on behalf of the Government. Thus a contract authority must also be an expenditure officer as required by *S.38* of the *FAA*.
  - c) accounting authority (payment authority): the authority for an accounting officer to certify that the requirements of *S.44(1)(b) and S.49(2)(b)* of the *FAA* have been met, in order that a disbursement may be made. This includes commitment confirmation and document verification.
  - d) revenue authority: the authority to bill and receive revenue, account for it and record it.
- 3.3.2. Delegation of financial signing authority must be in accordance with the *FAA*, its Regulations and this directive.
- 3.3.3. A public officer shall not sub-delegate any of his or her financial signing authority unless authorized to do so by the original delegation.
- 3.3.4. An annual review of signing authority suitability must be done by each Department.
- 3.3.5. The authority level delegated may be different for different types of expenditures or activities.

### 3.4. Exercising Financial Signing Authority

- 3.4.1. Expenditures and disbursements require the certification of both an expenditure officer and an accounting officer, in accordance with *S.44(1)* and *S.49(2)* of the *FAA*.
- 3.4.2. No disbursement shall be made from the Consolidated Revenue Fund unless it is in respect of an expenditure incurred under an appropriation, with the exception of a disbursement under *S.31 (2)* and *S.49 of the FAA*.
- 3.4.3. No person shall exercise any signing authority in relation to a transaction, or claim for payment or reimbursement from which:
  - a) that person or that person's relative; or
  - b) anyone who resides in the same household; or
  - c) a corporation or business in which that person has significant ownership;can benefit.
- 3.4.4. A person exercising financial signing authority shall sign and date the document.

### 3.5. Acting Appointments

- 3.5.1. An acting appointment occurs when the supervisor of the position for which the appointee will act, for a specified period of time, approves the appointment on an SSR. The supervisor may impose lowered monetary limits, restrictions, conditions and exceptions that would not normally apply to the signing authority of the position, but may not increase the monetary limits.
- 3.5.2. A standing acting appointment occurs when a public officer is appointed for an indefinite period to act while the person normally holding the position, for which the appointee will act, is absent. The SSR approved by the supervisor of the position will have no end date.
- 3.5.3. Written notification of the invoking of the standing acting appointment must be given by the position incumbent to the supervisor of the position for which the appointee will act, to the appointee, and to the Office of the Comptroller General, Department of Finance.

3.5.4. For audit purposes, each department must maintain a permanent file of originals of each SSR and documentation of each invocation of acting signing authority.

### 3.6. Signing Authority in Departments Acting as Agents for Other Departments

3.6.1. A Deputy Head may appoint another department to act as agent for his/her department, exercising expenditure authority, accounting authority, or contract authority on behalf of his/her department, per *S.41(1),(2) of the FAA* and Regulation 9904.3(1). This acting appointment must be approved on an SSR by the Deputy Head of the department for which the officer will act.

3.6.2. The Comptroller General (or delegate) may exercise payment authority on behalf of all departments in all regions.

### 3.7. Monetary limits to Signing Authority

Financial signing authority limits may vary by department and position, but should be in accordance with business needs and should take into consideration the experience of the appointee (e.g., persons who are acting or being trained may have lower limits, restrictions and conditions). Any deviation from the maximum monetary limits set by Appendix A must be approved by the FMB. Analysis and documentation of need should be provided to justify these deviations.

### 3.8. Eligibility for Acting Pay

Acting financial signing authority does not necessarily imply eligibility for acting pay (refer to Human Resource Manual).

### 3.9. Expenditure Review

Delegation of expenditure authority is intended only to facilitate operational efficiency and does not relieve the delegator of budget control responsibilities or accountability.

The [Financial Signing Authorities Spreadsheet](#) and [Specimen Signature Record \(SSR\)](#) are available in an electronic version and should be downloaded from the FAM website at <https://gov.nu.ca/finance/information/financial-administration-manual>.

**Appendix A****Signing Authority Levels  
(Maximum)**

<b>Position</b>	<b>Expenditure Authority</b>	<b>Accounting Authority</b>
DM	Full	Full ( Finance DM only)
ADM/CG	Up to \$500,000	Full (CG only)
Director	Up to \$250,000	Full (CFO in each Dept, including Dept of Finance) Up to \$500,000 (Other Directors in Dept of Finance only)
Managerial	Up to \$100,000	Up to \$250,000 (Manager of Finance in all Departments)
Supervisory	Up to \$50,000	Up to \$100,000
Senior Support Staff	Up to \$ 25,000	Up to \$ 50,000
Support Staff	Up to \$5,000	Up to \$5,000

In accordance with clause 3.2.3 of this directive, only public officers in financial positions shall be designated as accounting officers.



