

BRIEFING NOTE

TO: Board of Directors

FROM: Kevin Cloutier, Chair

DATE: March 2, 2026

SUBJECT: Proposed Amendments to By-Laws – Signing Authorities

☒ For Decision ☐ For Information ☐ Monitoring Report

Purpose:

To consider proposed amendments to the by-laws to adjust the financial thresholds for when two signing authorities are needed on cheques and contracts.

Background:

The College's by-laws currently stipulate that two signing authorities are required to sign:

- All cheques exceeding \$5000
- All contracts with an anticipated value exceeding \$5000

Under the by-laws, signing authorities are the Registrar, Deputy Registrar, Chair and Vice Chair. Only two signing authorities (Registrar and Deputy Registrar) are in the office on a regular basis.

The purpose of requiring multiple signatures on cheques/contracts that are of significant value is to help manage organizational risk and maintain financial prudence and integrity.

In addition to the multiple signature requirement, there are numerous other financial checks and balances in place to ensure the college's financial integrity, including:

- Numerous governance policies set by the board stipulating operational boundaries relating to financial condition, budgeting, asset protection, vendor relations and procurement, investment and reserves
- Strict controls in place to govern electronic banking and electronic fund transfers, including segregation of duties as between the Registrar, Deputy Registrar, accountant and bookkeeper
- Internal oversight via board monitoring processes
- External oversight via the college's auditor

The by-laws also include provisions relating to the acceptance of signatures via facsimile. At present, there is no reference to electronic signatures.

For Consideration:

The financial thresholds set out above have not been reviewed for many years, since at least prior to 2014 but likely much earlier (the oldest archived version of the by-laws available electronically is from 2014; all prior versions would need to be recalled from storage).

In the interest of efficient and streamlined operations, it is proposed that the board consider raising the thresholds as follows:

- \$10,000 for cheques
- \$25,000 for contracts

The rationale for the proposed changes is to make it more efficient for the staff team to process routine payments without the need to involve two signing authorities.

With respect to cheques, the majority of payments to vendors are now made in the form of electronic fund transfers. However, for those vendors who only accept payment by cheque, it is proposed to raise the threshold from \$5,000 to \$10,000 to allow for more timely payments to vendors. Cheques need to be signed in person, and delays may occur if either the Registrar or Deputy Registrar are not available on site in the office to provide a second signature.

The following oversights still remain in place with respect to cheque payments:

- All cheques are issued by the bookkeeper only after invoices have been verified by accounting staff as well as the staff member responsible for that vendor.
- All payments are tracked and logged in accordance with standard bookkeeping and accounting practices and are reviewed as part of the annual audit process.
- Cheques issued to a signing officer will continue to require the signature of two other signing officers.

With respect to contracts, it is proposed to raise the threshold from \$5,000 to \$25,000 to streamline projects by ensuring contracts can be finalized in a timely manner. Most contracts are drafted with the expectation of one signature per party. Adding a second signature could cause delays, in particular where either the Registrar or Deputy Registrar are not immediately available. The \$25,000 threshold is proposed because this is the same threshold established by the board under the Vendor Relations and Procurement Management Policy that triggers a requirement for the Registrar to review at least three quotes before selecting a vendor.

The following oversights still remain in place with respect to contracts entered into by the College:

- No contract is entered into by the College with a new vendor unless both the Registrar and Deputy Registrar have reviewed it and provided verbal or written confirmation to proceed.
- New contracts with existing vendors are also reviewed by both the Registrar and Deputy Registrar before finalizing, however in some cases where a contract is being renewed on identical terms, and is consistent with a strategic priority that has already been discussed by

the Registrar and Deputy Registrar and approved by the board, contract renewals may proceed as a matter of routine following review by one of the Registrar or Deputy Registrar.

- Monitoring reports on vendor relations and financial condition are delivered by the Registrar regularly in accordance with the board-approved schedule.
- Annual audit process.

The proposed changes to these thresholds have been reviewed by the College's auditor, Sukhanpreet Dhanotta of Grewal Guyatt LLP, who provided the following opinion:

From an audit and financial controls standpoint, we do not have concerns with the proposed increases to the signing thresholds, provided they are reflective of the College's current scale of operations and transaction volumes. There is no prescribed "standard" threshold for not-for-profit organizations; rather, appropriate authorization limits are typically determined by management and those charged with governance based on the size, complexity, and risk profile of the organization.

As always, it is important that these authorization limits operate within a broader framework of sound internal controls. This includes appropriate segregation of duties, documented approval processes, and regular financial reporting to the Board. Provided these controls remain in place, the proposed changes should continue to support effective financial oversight while improving operational efficiency.

In addition to the number of signing authorities for cheques and contracts, it has been identified that the current by-laws do not account for the acceptance of electronic signatures. It is therefore proposed that language be added to this effect to better reflect the reality of most contracts and official documents in today's date.

A copy of the proposed by-law updates are attached as **Appendix A**.

Both the Governance Committee and the Finance Committee reviewed the proposed changes and are recommending that they be approved by the board.

Public Interest Considerations:

It is in the public interest to ensure the College can operate efficiently and effectively, and can finalize contracts and pay vendors in a timely manner. This helps to ensure day-to-day functions can run smoothly and without unnecessary backlogs.

This needs to be balanced against the board's obligation to maintain proper oversight of the College's finances to ensure appropriate checks and balances are in place to prevent mismanagement.

Diversity, Equity, and Inclusion Considerations:

The proposed updates will provide greater flexibility to the administrative team to manage operations efficiently and effectively.

Risk Management Considerations:

Requiring two signing authorities for cheques and contracts that exceed a certain value is one of the ways the board can provide oversight to prevent financial mismanagement. Other steps taken by the board to mitigate risk and serve as cheques and balances against financial mismanagement have been outlined above. The proposed changes are aimed at improving operational efficiency while still remaining within a reasonable risk threshold that is consistent with the College's operating budget and operational needs.

Recommendations/Action Required:

That the board approve the proposed by-law amendments.

ARTICLE 21: BORROWING POWERS AND BANKING

21.1 Borrowing

- (a) The Board may from time to time:
 - (i) borrow money upon the credit of the College;
 - (ii) limit or increase the amount to be borrowed; and
 - (iii) secure any present or future borrowing or liability of the College, by mortgage, hypothec, charge or pledge of all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the College, and the undertaking and rights of the College.
- (b) Any promissory notes, bills of exchange or other negotiable paper including renewals thereof in whole or in part signed on behalf of the College by the Signing Officer or Officers shall be binding upon the College.
- (c) All contracts, deeds, grants, assurances and documents reasonably required by the financial institution or its counsel for all or any of the purposes aforesaid shall be executed and carried into effect by the proper officers of the College and when necessary the seal of the College shall be affixed thereto.

21.2 Banking

- (a) The banking business of the College shall be transacted with such banks, trust companies or other financial institutions chartered under the *Bank Act* (Canada) as may, from time to time, be designated by or under the authority of the Board. Such banking business or any part of it shall be transacted under such agreement, instructions and delegations of powers.
- (b) Deposit accounts of the College shall be kept at such financial institutions in such place or places and shall be operated in such manner and by such person or persons as the Executive Committee shall from time to time by resolution direct.
- (c) Cheques and payments on behalf of the College for \$510,000 or less shall be signed by any one of the Signing Officers. Amounts in excess of \$510,000 shall be signed by any two of the Signing Officers. Notwithstanding the foregoing, all cheques and payments issued to a Signing Officer shall be signed by any two (2) Signing Officers other than the recipient.
- (d) Notwithstanding the provisions of (c) above, the Executive Committee may at any time and from time to time by resolution direct the manner in which, and the person or persons by whom, any particular cheque or payment on behalf of the College may or shall be executed.

ARTICLE 22: EXECUTION OF CONTRACTS, DOCUMENTS OR INSTRUMENTS

22.1 Signatories

Contracts requiring signature of the College shall be signed by:

- (a) if the expenditure under the contract is reasonably expected not to exceed \$25,000, any one of the Signing Officers;
- (b) if the expenditure under the contract is reasonably expected to equal or exceed \$25,000, any two of the Signing Officers; and
- (c) notwithstanding Articles 22.1 (a) and (b), the Board may, by resolution, direct the manner in which, and the person or persons by whom, any particular contract, document or instrument on behalf of the College may be executed.

22.2 Facsimile and Electronic Signatures

The signature of any individual authorized to sign on behalf of the College, may, if specifically authorized by resolution of the Board, be written, [electronic](#), printed, stamped, engraved, lithographed or otherwise mechanically [or electronically](#) reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the Board.

22.3 Deposit of Securities for Safekeeping

The securities of the College may be deposited, from time to time, for safekeeping with one or more banks, trust companies or other financial institutions chartered under the *Bank Act* (Canada) to be selected by the Board, or if so authorized by the Board, with such other depositories or in such other manner as may be determined from time to time by the Board. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the College signed by such Director or Directors, officer or officers, agent or agents of the College, and in such manner, as shall from time to time be determined by resolution of the Board and such authority may be general or confined to specific instances. Any institution that may be so selected as custodian by the Board shall be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.