

The College of The Bahamas



Established 1974

POLICY ON DELEGATION OF FINANCIAL AUTHORITY (AMENDMENT)

POLICY NUMBER	2008-11-POL
TITLE OF THE POLICY	DELEGATION OF FINANCIAL AUTHORITY
DATE OF ADOPTION	November 12, 2008
COUNCIL RESOLUTION NUMBER	2008-11-POL
SUPERSEDES	November 12, 2008
DATE OF IMPLEMENTATION	October 6, 2009
PROJECTED DATE OF REVISION	As required
PURPOSE OF THE POLICY	<p>The purpose of this policy is to establish guidelines to govern the execution of financial transactions with third parties that will bind The College of The Bahamas (“The College”) and to delegate financial authority from the Council to Council Committees and the President and from the President to specific Executives and staff in an effort to ensure that The College is operating efficiently. The policy is designed to ensure that all contracts entered on behalf of the College are signed by two individuals as set out in the approval levels. The policy does not extend to independent contractors or consultants, as they do not have the authority to bind The College. The delegation of financial authority policy applies to all staff of The College and it indicates which members of staff have the authority to:</p> <ul style="list-style-type: none"> • Commit The College to financial arrangements and contracts • Authorize payments for goods and services
REVISION NUMBER	1 (One)
ACCOUNTABILITY	This policy is under the responsibility of the Vice-President, Finance/CFO, who is accountable for its implementation.
ASSOCIATED PROCEDURES	Determined by Vice-President, Finance/CFO
RELATED POLICIES	Contracting, Policy on Request For Proposals
HISTORY	Amended October 6, 2009

1. Authority

1.1. The College of The Bahamas Act assigns the power to the Council “to provide for the welfare of the students of the College; to control and superintend the property and policies of the College and to fix fees and charges for courses of study, facilities and other services provided by The College and to reduce, waive or refund fees and charges so fixed, generally or in any particular case or class of case”.¹

2. Overview

This policy defines the proper delegation of authority to execute financial transactions with external entities that bind The College of The Bahamas (“The College”). The proper delegation of authority to execute financial transactions with external entities that bind The College is required to minimize financial, legal and related risks and to ensure that appropriate controls are in place to ensure that only authorized individuals are committing The College and also to ensure that the executives of The College are fully aware of all of its contractual commitments. Additionally, this policy is intended to outline the action to be taken in case of an infraction to the established policy.

3. General

This policy should be read along with the Policy on Contracting.

A delegation of financial authority does not translate into a delegation of responsibility.

The approved annual budget is an important part of this policy.

4. Policy

Below are the amounts covered in the delegation of financial authority. Note that items (c) and (d) must be covered in the budget that would have been approved by the Senior Team and Council at that level.

a) All borrowings must be approved by The College Council.

b) Council must approve all financial transactions whose obligations or related financial exposure is in excess of \$75,000 (single or in aggregate). The College’s legal counsel must vet these financial transactions.

c) All financial transactions whose obligations or related financial exposure is between \$15,000 and \$75,000 must be approved by the President and the VP, Finance/CFO.

d) All financial transactions whose obligations or related financial exposure is between \$5,000 and \$15,000 must be approved by the VP for the appropriate area and the CFO.

e) All financial transactions whose obligations or related financial exposure is between \$1,000 and \$5,000 must be approved by the Dean, Associate Vice President or Vice President for the appropriate area and the CFO.

f) The Director and Unit Head with budgetary authority for the appropriate area and CFO must approve all financial transactions whose obligations or related financial exposure is below \$1,000

It is unacceptable to divide financial transactions for related purposes into multiple parts in order to circumvent the established approval process. The delegation of financial authority should be reviewed on an annual basis.

5. Conflict of Interest

The potential for a conflict of interest exists whenever a person has the authority to make a decision which may lead to a tangible benefit, either directly or indirectly, to that person, to a member of his or her family, or to a close friend or business partner. Making a decision when in a conflict of interest is strictly forbidden.

In order to avoid conflict of interest, all College employees and Council members involved in a decision on the allocation of a contract or any other benefit are required to disclose any potential conflict to the College President or the Council Chair. Should a conflict be deemed to exist, the person will not participate in the decision.

Any infraction of this matter will lead to the appropriate disciplinary action.