

Lac La Biche County *Policy*

TITLE: Cheque and Document Signing Authority

POLICY NO: FIN-10-016

RESOLUTION: 22.204

EFFECTIVE DATE: January 22, 2013

DEPARTMENT RESPONSIBLE: Finance

NEXT REVIEW DATE: March 8, 2023

POLICY STATEMENT:

This policy outlines the individuals that can have signing authority on cheques and other binding documents on behalf of Lac La Biche County.

PRINCIPLES:

Signing of Cheques: Sections 213(4) and (5) of the Municipal Government Act states that:

- (4) Agreements and cheques and other negotiable instruments must be signed or authorized
 - (a) by the chief elected official (Mayor) or by another person authorized by council to sign them, and
 - (b) by a designated officer (Chief Administrative Officer),
or by a designated officer acting alone if so authorized by council.
- (5) A signature may be printed, lithographed or otherwise reproduced if so authorized by council.

To comply with the Act, and to provide good internal control and efficiency, the following positions are authorized cheque signors for Lac La Biche County:

One of:

- (a) the Mayor, or
- (b) any other councillors.

and:

- (c) the Chief Administrative Officer (CAO) and
- (d) any Assistant/Associate CAO or Senior Manager.

This policy also allows signing authorities to be removed upon the end of a Mayor's or Councillor's term of office without further Council resolution, or the end of an employee's employment without further Council resolution.

Financial institutions may have increased specific requirements.

The signature of the Mayor may be printed, lithographed, or otherwise reproduced on a cheque with a payable amount of less than \$5,000.00 (or for a US dollar bank account, less than \$5,000 US), in lieu of an actual signature by the Mayor, Deputy Mayor, or authorized councillor.

The signature of the Mayor may be printed, lithographed, or otherwise reproduced on a cheque with a payable amount of \$5,000 or more (or for a US dollar bank account, \$5,000 US or more), if all the following conditions are met:

- (a) If the cheque is required on an immediate one – time basis,
- (b) If the Mayor, Deputy Mayor, or authorized councillor is not available, and
- (c) Only if authorization is received from one of the Mayor, Deputy Mayor, or authorized councillors in writing or via fax or email.

For internal control purposes, all accounts payable and payroll cheque registers and electronic payment registers must be signed by one elected official and one member of County Administration authorized to sign cheques.

The intent of this policy is to replace signing authority resolutions previously required at organizational and other Council meetings.

Signing of Documents:

Agreements can be signed by the Chief Administrative Officer acting alone if:

- (a) the agreement is part of a budgeted expenditure approved by Council, or,
- (b) Council authorizes the Chief Administrative Officer to do so.

The Chief Administrative Officer may by writing designate other Lac La Biche County positions or employees that are authorized to sign agreements and non – negotiable documents on behalf of the County.

”Original Signed”
Chief Administrative Officer

March 18, 2022
Date

”Original Signed”
Mayor

March 22, 2022
Date

SPECIAL NOTES/CROSS REFERENCE: FIN-10-016 Cheque and Document Signing Procedure

AMENDMENT DATE: March 8, 2022



Procedure

TITLE: Cheque Signing Procedure

PROCEDURE NO: FIN-10-16

EFFECTIVE DATE: January 22, 2013

DEPARTMENT RESPONSIBLE: Finance

NEXT REVIEW DATE: March 8, 2023

GENERAL GUIDELINES:

The purpose of this procedure is to advise appointed cheque authorities, either members of Council or Administration, on the County's cheque signing practices.

DEFINITIONS:

Act: The *Municipal Government Act*, RSA 2000, Chapter M-26 as amended from time to time.

Signing Authority: A member of Council or Administration appointed to sign cheques on behalf of Lac La Biche County.

PROCEDURE:

- The *Act* requires cheques to be signed by two parties:
 - An elected signing authority - the Mayor or another councillor appointed as a signing authority by County policy FIN-10-16.
 - An Administrative signing authority - the Chief Administrative Officer or a senior manager appointed as a signing authority by County policy FIN-10-16.
- County policy allows a stamp with the Mayor's signature to be used instead of an original signature on cheques less than \$5,000.00.
- **Cheque signing is not an auditing function.** The County has an internal control system, which involves a number of budgetary, purchase order, and invoice approvals prior to the issuing of a cheque.
- However, as part of the cheque signing process, the signing authority may review a sample of cheques and associated invoices for reasonableness. Questions may be directed to Administration about a cheque or an invoice to help assure the signing authority of reasonableness.
- Invoices reviewed as above should be initialed by the signing authority.
- As well as the cheques themselves, the cheque register associated with the cheque must be signed by the signing authority.
- No signing authority can sign a cheque payable to himself/herself, a family member, or a related corporation as described in sections 169 (a) and (b) of the *Act*.
- A signing authority cannot sign a cheque if it is a payment for an invoice given final approval by the same signing authority.
- Cheque registers for electronic payroll deposits or other electronic payments must be reviewed and signed by two signing authorities (an elected signing authority and an Administrative signing authority).

"Original Signed"
Chief Administrative Officer

March 24, 2022
Date

SPECIAL NOTES/CROSS REFERENCE: FIN-10-016 Cheque and Document Signing Policy

AMENDMENT DATE: March 8, 2022