

# Signing and Spending Authority

Approved by: Board of Directors  
Last Reviewed: November 2018

## Purpose

**This policy describes the scope and limits to both Signing Authority and Spending Authority.**

### SCOPE

This policy applies to all expenditures and Contracts entered into on behalf of BCLC or any subsidiary of BCLC including Contracts that do not involve an exchange of payment such as non-disclosure agreements or confidentiality agreements. Employees may only approve an expenditure or sign a Contract on behalf of BCLC or any BCLC subsidiary in compliance with this policy.

### CONTEXT

The Boards of Directors of BCLC and each of its subsidiaries are authorized to direct the manner in which expenditures and Contracts of each corporation may be approved. This policy sets out Signing Authority and Spending Authority for BCLC and each of its subsidiaries. The Signing and Spending Authorities set out in this policy are designed to meet strong corporate governance practices, appropriately address associated enterprise risks, and meet operational needs as well as ensure BCLC meets or exceeds government's fiscal requirements while maintaining Taxpayer Accountability Principles and a focus on cost containment throughout the organization.

Related documents that provide the authorization for this policy are as follows:

- BCLC Directors' Resolution dated January 26, 2017.
- B.C. Lottotech International Inc. Directors' Resolution dated January 26, 2017.

In addition to complying with the requirements within this Signing and Spending Authority Policy, all expenditures and Contracts must comply with BCLC's [Procurement Policies](#), [Travel and Expenses Policy](#) and [Standard](#), and [Contract Management and Administration Policy](#).

Defined (capitalized) terms used but not defined in this Signing and Spending Authority Policy have the meaning attributed to them in the [Policy Glossary of Terms](#).

### POLICY STATEMENT

#### Signing Authority

The President and Chief Executive Officer, the Chief Financial Officer, Vice Presidents, and Directors who are employees of BCLC, are granted Signing Authority within their area of responsibility on behalf of BCLC and its subsidiaries.

# Signing and Spending Authority

## Spending Authority

Spending Authority is granted to the positions within BCLC at the levels set out in the Spending Authority Limits Matrix within an individual's area of responsibility. Authorization Limits are per each transaction and the total cost of the transaction must be used to determine the position level holding the required Spending Authority to approve the transaction. For greater clarity, transactions must not be divided or separated so as to appear as lesser amounts to avoid the Spending Authority limit that would otherwise apply to the transaction.

## Spending Authority Exceptions

Payments for any of the following routine remittances and payments may be approved by the managers responsible for ensuring them, even if the amounts involved exceed those managers' designated signing authorities:

- Authorization of prize payouts;
- Remittance of tax (GST, PST, HST);
- Remittance of non-resident withholding tax;
- Remittance of payroll withholdings;
- Remittance of pension and benefits contributions and withholdings;
- Payment of BCLC's share of ILC prize expenses; and
- Similar non-discretionary remittances and payments.

## Delegations of Authority

Signing Authority may not be delegated.

Spending Authority may be delegated to an employee within the Organizational Unit or units for which he or she holds budget responsibility. For greatly clarity, Spending Authority cannot be delegated to a Contractor. Nothing in this policy is intended to prevent Contractors from being given authority to create Purchase Requisitions.

Delegations of Spending Authority must be done in writing and must be time-limited. No delegation of Spending Authority may be for longer than 24 months.

Sub-delegation of a delegated Spending Authority is not permitted.

## General Provisions

In an emergency, the Chief Executive Officer may exceed his/her Spending Authority Limit, subject to subsequent ratification by the Board. The Chief Executive Officer must seek Board ratification of emergency spending powers as soon as is practicable.

Spending Authority is aligned with budget responsibility and cost centers. Employees with cost center responsibility have the obligation, on an ongoing basis, to manage and monitor expenditures to ensure expenditures remain within approved annual budget amounts.

# Signing and Spending Authority

Spending Authorization Limits

Position*	Expenditures within Approved Budget	Extraordinary Items**
Board of Directors	>\$20,000,000	>\$5,000,000
Chief Executive Officer	\$ 20,000,000	\$ 5,000,000
Chief Financial Officer	\$ 10,000,000	\$ 1,000,000
Vice President	\$ 5,000,000	\$ 500,000
Director	\$ 1,000,000	\$ 100,000
Senior Manager	\$ 500,000	\$ -
Manager	\$ 100,000	\$ -
Team Lead/Assistant Manager	\$ 50,000	\$ -
Executive Assistant	\$ 50,000	\$ -

\*Where an individual's title does not include a position named in this chart, his or her Spending Authority will be determined by the position indicated by that individual's pay band

\*\*Extraordinary items are items that are not included in Board-approved budgets or outside of the normal course of business.

## POLICY DETAILS

### Consultation Requirements

Prior to distributing or commenting on draft Contracts, employees are required to consult with and seek the advice of Legal Services, Risk Advisory Services and Procurement to ensure the appropriate level of due diligence has been conducted.

### Business Negotiations

Signing Authorities and Spending Authorities are accountable for understanding Contract negotiations, including the identification and acceptance of risk associated with any Contract. Signing Authorities are responsible for directing the commercial aspects of the business negotiations and ensuring that instructions and/or other information are provided to Legal Services, Risk Advisory Services and Procurement when requested.

Work must not commence prior to a Contract being fully signed by all parties to the Contract.

### Guarantees and Indemnities

BCLC cannot provide a Guarantee or Indemnity unless it has first received approval to do so from the Risk Management Branch of the Ministry of Finance of British Columbia. All such approvals must be requested via BCLC's Legal Services department. Employees who are unsure whether a particular commitment constitutes a Guarantee or an Indemnity must consult the Legal Services department.

### Contract Management

Once a Contract has been signed, it must be managed in accordance with the [Contract Management and Administration](#) policy.

# Signing and Spending Authority

## COMPLIANCE

Failure to comply with this policy may lead to disciplinary action under BCLC's [Progressive Discipline policy](#).

## DEFINITIONS

**Contract** – means a written or verbal agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law and binding upon BCLC or any BCLC subsidiary, regardless of whether it is specifically called a contract. Examples include letters of intent, memoranda of understanding, statements of work, non-disclosure agreements, click-to-accept online terms, “shrink-wrap” license agreements, and amendments to Contracts.

**Guarantee** – means a promise, normally expressed in writing, by which the person making the promise agrees to fulfill the obligations of another person. The promise is frequently conditional upon the occurrence of another event.

**Indemnity** – means a commitment to secure another person against a loss or to prevent the other person from being injured by the legal consequences of an act.

**Purchase Requisition** – means a formal internal request for approval to purchase a good or service.

**Signing Authority** – means the authority to commit or otherwise bind BCLC and any BCLC subsidiary to a Contract that does not commit the organization to a specific expenditure. For further clarity, Signing Authority applies to Contracts such as non-disclosure agreements or master services agreements.

**Spending Authority** – means the authority to commit BCLC and any BCLC subsidiary to a specific expenditure by ordering a good or service, which can occur by way of entering into a Contract. For further clarity, Spending Authority does not tie to the timing or action of making the related physical payment.

**Taxpayer Accountability Principles** – means the Taxpayer Accountability Principles: Governance and Accountability dated June 2014 issued by the Government of British Columbia, which include cost-consciousness (efficiency), accountability, appropriate compensation, service, respect, and integrity.

## RELATED MATERIALS

[Contract Management and Administration Policy](#)

[Procurement Policies](#)

[Travel and Expenses Policy](#) and [Standard](#)

# Signing and Spending Authority

## POLICY OWNERSHIP

Contact Position	Director, Corporate Finance
Policy Owner	Chief Financial Officer and Vice President, Finance and Corporate Services
Approving Body	Board of Directors

## REVISION HISTORY

Version Number	Approval Date	Approved by	Amendment
4.1	May 11, 2017	Board of Directors	Include spending authority exceptions previously in v. 3
4.0	Jan 26, 2017	Board of Directors	Comprehensive re-draft of entire policy including amendments to Signing and Spending Authority limits and reference to Taxpayer Accountability Principles. This version supersedes the Contract Approval policy.
3.3	Jan 29, 2015	Vice President, Corporate Security and Compliance	Minor amendment to footer text. This document was reclassified from 'Internal' to 'Public' in order to comply with a directive from the Public Sector Employers' Council.
3.2	Jan 14, 2014	Director, Corporate Finance	Not a substantive policy change. Removed the word 'electronic' from wire/electronic fund transfers so as not to include electronic funds transfers (EFT).
3.1	Dec 19, 2013	Director, Corporate Finance	Not a substantive policy change. For clarity, the Policy Scope was modified to specifically identify agreements such as Non-Disclosure and Confidentiality Agreements as being excluded from this policy with clear reference directing the reader to the Contract Approval Policy.
3.0	Nov 28, 2013	Chief Executive Officer	Policy name changed and contents reworked for clarity; limits amended; and BC Lottotech International Inc. spending and signing authority added.
2.0	Sep 2007	Director, Corporate Finance	Change to spending levels.
1.0	Apr 1, 2004	Director, Corporate Finance	Inaugural Policy