

University of Prince Edward Island		Policy No. admfingnl0009	Revision No. 3
Policy Title: Spending Authority			Page 1 of 5
Creation Date: January 28, 2016	Version Date: May 27, 2025	Review Date: May 2030	
Policy Approval Authority: Board of Governors	Designated Executive Officer: Vice-President, Administration and Finance	Access: W	

1. Purpose

- 1.1. This policy establishes the responsibilities for University Employees who have authority to commit and spend funds from University accounts.

2. Scope

- 2.1. This Policy applies to all persons acting on behalf of the University with respect to all expenditures and commitments of University Funds, except where expressly governed by an existing Policy.

3. Responsibility

- 3.1. This Policy is authorized by the Board of Governors.
- 3.2. The development and maintenance of this Policy is the responsibility of the Vice-President, Administration and Finance.
- 3.3. The Comptroller is responsible for the administration of this Policy.

4. Definitions

- 4.1. **University Funds** means all resources available for spending through the University Operating, Endowment, Capital, Ancillary, Research and Special Purpose accounts.
- 4.2. **Maximum Transaction Value** means the defined upper limit which a Spending Authority can commit University Funds.
- 4.3. **Spending Authority** means a University employee (excluding student employees) with the authority to make decisions about spending, authorizing expenditures and committing University Funds. This individual is distinct from a Signing Authority (the authority to sign documents that bind the University to a legal instrument). Signing Authority is addressed in the "Signing Authority Policy".
- 4.4. **Account Authority** means an individual with Spending Authority for a specific UPEI general ledger account. In general, an Account Authority means the applicable Dean, Chair, Director, or Department Head for operational accounts or Principal Investigator ("PI") for research accounts.
- 4.5. **Designated Senior Budget Position** means an individual with management responsibilities which include oversight and tracking of financial resources. In general, a Designated Senior Budget Position means a manager or assistant or associate dean who is not an Account Authority. All Designated Senior Budget Positions must be approved by the Comptroller.

- 4.6. **Project Officer** means an individual whose employment responsibilities include oversight and tracking of financial resources within a research or special purpose project account.
- 4.7. **Designated Budget Position** means a position in a department which may be assigned additional budget responsibilities in special circumstances. All designated budget positions need to be approved by the Comptroller.
- 4.8. **Other University Officer** means any university employee who is not otherwise defined in this policy that may be delegated spending authority by an Account Authority. In general, this can include administrative assistants, departmental faculty, and other project staff. This category does not include student employees.
- 4.9. **One-Over-One Authorization** means the Spending Authority must be at least one administrative level higher than the identified employee.
- 4.10. **Non-employment expenditure** means any expenditure that does not involve hiring an individual. Generally, a purchase of goods or services.
- 4.11. **Employment-related expenditure** means any expenditure related to hiring an individual as an employee of UPEI.
- 4.12. **Principal Investigator (PI)** means the Researcher leading the research project at the University. For Sponsored Research, the PI is also the Researcher awarded the funds.
- 4.13. **Research Project Accounts** means general ledger accounts specifically used to track expenditure and revenues related to time-limited sponsored research. The Account Authority is the Principal Investigator.
- 4.14. **Special Purpose Project Accounts** means general ledger accounts specifically used to track expenditures and revenues related to time-limited non-research restricted funding.
- 4.15. **Proxy** means a UPEI employee who has the authority to represent the Account Authority in their absence. For this policy, the individual must understand the financial responsibilities under this policy and the authority to make decisions in the absence of the Account Authority. Generally, this person has the title of “Acting”.

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5. Spending Authority

- 5.1. All expenditures, requisitions and commitments of University Funds shall be approved by the appropriate Spending Authority as set out in this Policy.
- 5.2. The Spending Authority shall be the individual role responsible for authorizing the University expenditures or commitment of University Funds.

Maximum Transaction Value	Spending Authority
Greater than \$3,000,000	Board of Governors
\$ 3,000,000	President Vice-President, Administration & Finance
\$ 1,000,000	Vice-President, Academic & Research, Vice-President, People and Culture
\$ 250,000	Account Authority
\$ 100,000	Designated Senior Budget Position
\$ 10,000	Project Officer, Designated Budget Position
\$ 2,000	Other University Officer

- 5.3. The Maximum Transaction Value is determined, according to the preceding table. For non-employment expenditures, the Maximum Transaction Value is absolute. For employment related expenditures, the Maximum Transaction Value is with respect to per annum salary and benefit totals due to the ongoing nature of employment.
- 5.4. When the Board approves a capital project budget that is greater than \$3,000,000, the President will delegate a University Signing Authority to approve any expenditures that fall within the project budget on behalf of the Board.
- 5.5. Reimbursement to an employee or payment to a third party in relation to employee expenses is subject to One-Over-One Authorization as defined in Section 4.9.
- 5.6. The Spending Authority must follow the procedures described in the Procurement Policy and procedures and the Spending Authority procedures.
- 5.7. The Vice-President Administration and Finance can revoke Spending Authority privileges when an individual has not followed the provisions set out in this policy or related procedures.

6. Delegation of Account Authority

- 6.1. For all accounts, except Research Project and Special Purpose Project Accounts, the Account Authority may delegate one proxy to act on their behalf during the Account Authority's absence (e.g. vacation and other travel) for a period that is normally greater than one week in accordance with the Spending Authority procedures.

- 6.2. For Research and Special Purpose Projects, the Account Authority may delegate their authorization as Spending Authority to a Maximum Transaction Value in accordance with Section 5.2 of this policy unless an external funding agency for a research special project dictates a different process.
- 6.3. An individual receiving delegated Spending Authority pursuant to this Section must comply with the provisions of this Policy and any other related policies. Delegation pursuant to this Section does not relieve the Account Authority from accountability for compliance with this Policy.

7. Designated Spending Authority

- 7.1. In addition to the Spending Authority limits in Section 5.2 of the Policy, certain roles have special spending authority rules.
- 7.2. The Comptroller, as a Signing Authority of the University, has the designated authority to approve the following expenditures up to the Maximum Transaction Value of \$3,000,000:
- 7.2.1. Investment purchases
 - 7.2.2. Loan payments
 - 7.2.3. Additional delegations as approved by the Vice-President Administration and Finance
- 7.3. The Associate Vice-President Human Resources has the designated authority to authorize the following payments when the expenditures have previously been approved by University Signing Authorities in accordance with the Signing Authority policy:
- 7.3.1. Payroll remittances
 - 7.3.2. Benefit remittances

8. General Provisions

- 8.1. Notwithstanding any other provision in this Policy, a Spending Authority shall not approve expenditures or commitments of University Funds where the individual has (or would be perceived to have) a conflict of interest.
- 8.2. A Spending Authority shall not bind the University to a legal instrument or approve expenditure or commitments of University Funds, unless the matter has been duly authorized pursuant to the applicable Policy, or through the University's financial control systems.

9. Related Policies

- 9.1. Conflict of Interest Policy
- 9.2. Hospitality, Entertainment and Other Expenses Policy
- 9.3. Moving and Relocation Policy
- 9.4. Procurement Policy
- 9.5. Signing Authority Policy
- 9.6. Staff Hiring and Recruitment Policy

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- 9.7. Travel Expenses Policy
- 9.8. UPEI Sponsored Research and Research Contracts Policy
- 9.9. Appointment of Acting or Interim Senior Officers

10. Review

- 10.1. This Policy shall be reviewed every five (5) years or as circumstances dictate.