Physical Resources Standard Operating Procedure

1.2.10 Authorization of Funds for Projects, Minor Alterations/Renovations and Similar Work

Effective Date: August, 2004
Revision Date: August, 2016
Position/Signature: Director, Design, Engineering and Construction

Purpose

To place the responsibility for authorization of project work on the individuals who are most knowledgeable about the commitment of funds while retaining the limits of authorization which will satisfy the auditing requirements.

Procedural Reference

Refer to 1.2.9 Requesting Projects, Minor Alterations/Renovations and Similar Work.

Definitions

MTCU: Ministry of Training Colleges and Universities.
DEC: Design, Engineering and Construction.
Projects: Any work with an estimated cost of $5,000 or over.

Procedure

Authorization Required for Projects

1. General Information

1.1. All Project Authorizations must be submitted with a proper budget that has been reviewed by the applicable Design, Engineering and Construction manager.

1.2. The Capital Accountant will review all Project Authorizations prior to it being circulated to any parties to ensure that the project numbers, fees and values are correct. The Director, Finance and Administration, Physical Resources will review and sign all Project Authorizations prior to the original Project Authorization being forwarded to the: Associate Vice-President, Physical Resources, the Associate Vice-President, Finance and Services, and the Vice-President, Finance and Administration for their signatures.

1.3. In order to ensure that the appropriate parties are aware of projects, these signing limits apply to the total anticipated project budget, not the current authorized values. Projects for which the amount being authorized is only 'seed' money will require the authorization to be signed based on the total cost of the project, not the amount requested on each individual authorization.

1.4. In the case where the project authorization being requested is negative in value (e.g., if a project is completed at less than the authorized funding level), regardless of the dollar amount, signatures are not required from the funding departments, or the Associate Vice-Presidents or Vice-Presidents. The signing may stop at the Director level.
2. Required Authorizations for All Projects

The signing order for a Project Authorization Form is as follows:

1. Capital Accountant (for review)
2. Project Manager
3. DEC Manager (Discipline Manager)
4. Director, Design, Engineering and Construction/Director, Maintenance and Energy Services
5. Requesting Department’s Project Originator
6. Requesting Department’s Dean/Director (with coding)
7. Director, Finance and Administration, Physical Resources
8. Associate Vice-President (Physical Resources) up to $500,000
9. Associate Vice-President (Finance Services) if more than $500,000
10. Vice-President (Finance and Administration if more than $1.0 million

Note: If the source of funds is Physical Resources, a signature from the requesting Department’s Project Originator and Dean/Director is not required (5. and 6.). Appropriate coding for the project must be provided by the requestor while signing.

3. Board Approvals

3.1. Capital Projects with an estimated Project budget of more than $2.0 million require approval by the Board of Governors, via the Physical Resources and Property Committee and then the Finance Committee, to review design concepts and to approve proceeding to construction subject to such conditions as the Board of Governors may impose.

3.2. Should any of the following circumstances apply, approval by the Board of Governors is required:

3.2.1. Should anticipated extra costs reach a point where it appears likely that the original Project Authorization may eventually be exceeded.
3.2.2. Where any given extra cost would, in fact, cause the total Project Authorization to be exceeded.
3.2.3. Where any proposed change that alters the basic design philosophy, scope, or general intent of the Project is contemplated.
3.2.4. Where a proposed change may contradict any condition approved by the Board of Governors.
3.2.5. Where any proposed change is of such a nature that the Board would wish to be informed, or to pass judgment on it. This refers to the occasional change of an unusual nature not falling into the first four (4) categories.

3.3. Upon approval of the Project by the Board of Governors, the Assistant Vice-President, Physical Resources, shall have the authority to recommend expenditures within the constraints of appropriate signing authorities up to the full amount of the Board’s authorization.