

ADMINISTRATIVE OPERATING PROCEDURE: Signing Authority – Externally Binding Transactions and Contractual Obligations

Procedure ID:	OP #4-417
Approved by Executive Leaders Team:	<i>Original:</i> April 25, 2017
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Effective Date:	Replaces April 2017; November 7, 2017
Next Review Date:	2020
Monitoring Responsibility:	Vice-President Corporate Services
Linked to a College Policy:	#4-417, <i>Signing Authority</i>

Policy Statement

The College Policy and this operating procedure are intended to ensure that all Legal Documents, Banking Transactions and Investment Transactions are properly reviewed, analyzed and authorized in compliance with the Minister's Binding Policy Directive for Banking, Investing and Borrowing, the Financial Administration Act, and any Regulations made pursuant thereto (collectively referred to as the "Ministry Directive"). Among other things, Section 28 of the Financial Administration Act provides that the College shall not enter into any financial arrangement, financial commitment, guarantee, indemnity or other similar transaction, without prior written approval of the Minister of Finance or the President of the Treasury Board.

The short title for the Policy and Operating Procedure is "Signing Authority."

The authority for Purchase Requisition approval for the procurement of goods and non-consulting services is set out in the Approval Authority Schedule in College Policy #4-411, *Purchasing* and is not in the scope of the Signing Authority policy.

Definitions/Acronyms

In this document, the following terms shall have the meanings set out below:

Banking Transactions: Any transactions related to College banking operations, including but not limited to establishing bank accounts, drawing from and establishing a revolving credit line, authorizing payments from a College bank account, and consent of letters of instruction or other documents required by the bank for the operation of any accounts.

Contingent Liability: A contractual clause requiring payment where there is uncertainty about the amount of the payment and whether the payment will be required.

Designated Signing Officer: A position with Signing Authority delegated by the President.

Document/Contract Administrator: The Administrator (person) that ensures a legal document has been reviewed by the proper department(s) and complies with College directives, policies and operating procedures. This is the person who is requesting the Legal Document be signed.

Investment Transactions: Any transactions related to the College investment operations, including but not limited to establishing investment accounts, providing investment trading instructions which includes giving orders or trading instructions, execution of any and all investment agreements, consent letters of instruction or other documents required by the investment firm for the

establishment, reclassification or operation of any accounts, and the withdrawal of any monies or securities.

Finance Department Administrators: The Vice-President Corporate Services or the Director Finance or the Manager Accounting Operations or the Director Budget Services.

FAA: The Financial Administration Act and any Regulations made pursuant thereto.

Legal Document: A document between at least two (2) parties that creates an obligation, legal commitment or undertaking on behalf of the College. Legal documents include, but are not limited to, any written agreement, revenue generating or expenditure contract, agreement to purchase or sell, a Loan Agreement, funding proposal, letter of intent, memorandum of understanding, lease, license, gift agreement, deed, grant, certificate, instrument, assignment, transfer, engagement or any other document which may bind the College.

Loan Agreement: A loan agreement entered into between OFA or another third-party lender, as lender, and the College, as borrower, setting out the terms and conditions of a loan.

Minister's Binding Policy Directive, Banking, Investments and Borrowing: This Policy Framework is issued under the authority of the Ontario Colleges of Applied Arts and Technology Act, 2002. It establishes requirements for all colleges as crown agencies when entering into any financial arrangement, financial commitment, guarantee, indemnity or similar transaction that will increase, directly or indirectly, the indebtedness or the contingent liabilities of Ontario.

Ministry: The Ministry of Training, Colleges and Universities.

OFA: Ontario Finance Authority

Official Signing Officer (OSO): A position with Signing Authority delegated by the Board of Governors.

Relevant Administrator: An administrative employee who is responsible for the activity covered by the Legal Document.

Signing Authority: Authority delegated by the Board of Governors to Board and College positions authorizing the individuals in those positions to execute Legal Documents, Banking Transactions, and Investment Transactions on behalf of the College.

Sub-Delegate: The position the Official Signing Officer or Designated Signing Officer delegates their authority for a short period of time to cover vacations, leaves or other temporary absences.

Operating Procedure

The scope of this operating procedure includes all Legal Documents, Banking Transactions, and Investment Transactions with no exception, including but not limited to:

- Academic contracts and agreements;
- Commercial contracts and agreements;
- Funding proposals and agreements;
- Memorandum of understanding;
- Lease/rental agreements;
- Sale agreements, of services and goods;
- Employment agreements;

- Bursary and endowment agreements;
- Donor receipts;
- Purchase Orders;
- Purchase or sale of investments; and
- Authorization of payments from College bank accounts.

Compliance with Operating Procedure

College employees shall pay detailed attention in complying with this operating procedure. Contravention of the College's Signing Authority Policy may be considered a breach of an employment contract. Further, any person who signs a Legal Document, Banking Transaction or Investment Transaction who is not a Designated Signing Officer, OSO or a Sub-Delegate within the time period of the signing may be held personally liable for the obligation/legal commitment.

Designated Signing Officers

1. Designated Signing Officer positions authorized by the President through College Policy #4-417, *Signing Authority* are set out in Appendices A, B and C. The Appendices include restrictions and limitations on designated signing authority to comply with the Ministry Directive.
2. Designated Signing Officers' and OSOs' signatures shall be original handwritten signatures.
3. In the event that two (2) signatures are required on a Legal Document only a combination of two (2) Designated Signing Officers and/or OSO's may execute the Legal Document.

Sub-Delegation

4. In the case of a temporary absence of a Designated Signing Officer for Legal Documents, delegation to a Sub-Delegate position listed in Appendix D of this Operating Procedure may occur. This delegation must be in writing and clearly state the effective time period. When signing a Legal Document, a Sub-Delegate is to note below their signature that they are a delegate (i.e. Delegate for 'name of specific Designated Signing Officer'). Where signing authority is delegated, responsibility for the executed document remains with the Designated Signing Officer as well as the Sub-Delegate.
5. Signing authority may not be further delegated by a Designated Signing Officer for Banking Transactions or Investment Transactions.

Minister's Binding Policy Directive, Banking, Investments and Borrowing Compliance

6. The Board Chair is required to attest annually to the Ministry that the College has:
 - a) fully assessed Contingent Liabilities in Legal Documents prior to entering into an agreement
 - b) appropriate governance in place to manage all of its contingent liabilities
 - c) limited the liabilities of the Crown and capped college exposure as a provision of all contracts where possible.
 - d) sought appropriate legal advice prior to signing contracts;
 - e) been in compliance with Section 28(1) of the Financial Administration Act (FAA), and
 - f) reported the values of contracts entered into
7. All Legal Documents with a value of greater than or equal to \$1.0 million or that contain a Contingent Liability require approval from a Finance Department Administrator, prior to verbally agreeing to or entering into the Legal Document.
8. The Ministry Directive requires Legal Documents to **meet all** of the conditions listed below, in order to be exempt from the requirements of Section 28(1) of the FAA. Should any of the following conditions not be met, prior written approval from the Ontario Minister of Finance or the

President of the Treasury Board is required before the Legal Document can be entered into. It is imperative that a Finance Department Administrator is notified, reviews and approves all Legal Documents that **do not meet** all of the following conditions prior to verbally agreeing to or entering into the Legal Document, as there could be a significant lead time to obtain OFA approval:

- a) has a term of ten (10) years or less
 - b) be in compliance with all applicable policies of the college and applicable laws and government directives
 - c) relates to activities of the college that are permitted under its objects
 - d) the government of Ontario is not responsible for paying any contingent liabilities
 - e) it is governed by the laws of Ontario and the contract must relate to activities undertaken within Canada, unless
 - a. the purpose of the contract is
 - i. to purchase services related to recruitment; or
 - ii. to purchase or provide services related to one or more of curriculum design, program design or faculty exchange
 - b. the total contract value is less than \$3.0 million or
 - c. where the amount the college is required to pay or receive under the contract is undeterminable, the contract limits the liabilities of the college under the agreement to \$3.0 million
9. In Legal Documents that are negotiable, wherever possible the agreement should expressly:
- a) state that the remedies, recourse or rights of the other party or parties in respect of the agreement are limited to the present and future assets of the college;
 - b) state that the other party or parties waives and releases any recourse in respect of the agreement against every part of the Crown other than the college; and
 - c) limit the amount of contingent liabilities to an amount less than or equal to the total value of the agreement.
10. In all cases, Legal Documents that meet any of the following criteria should be reviewed by the Colleges legal counsel, unless otherwise determined by a Finance Department Administrator:
- a) Having a value of greater than or equal to \$1.0 million;
 - b) That contain Contingent Liabilities;
 - c) That are governed by laws of any jurisdiction other than the Province of Ontario;
 - d) That require the College to indemnify another party;
 - e) That have a minimum term in excess of five (5) years;
 - f) That deal with the purchase, sale, mortgaging, charging, licensing or leasing of real estate;
 - or
 - g) That assign to another party the intellectual property rights of the College.

The Administrative Officer Finance and Administration or Director Purchasing may ask for a third party legal opinion regarding a Legal Document. Notwithstanding this decision, the Designated Signing Officer or OSO may also ask for a third party legal opinion.

In both cases, the Office of the Vice-President Corporate Services should be contacted to arrange for a legal opinion.

11. The President and each of their direct reports will be required to attest annually to the Vice President Corporate Services that, at a minimum, section 7, 8, 9, and 10 have been complied with within their area of responsibility.

Legal Document Review and Tracking

12. The majority of Legal Documents require a document authorization form. The authorization form shall include confirmation of review and sign off by those positions listed under the "Minimum Reviewer(s)" column of the table in the authorization form. There may be additional reviewers required and, depending on the situation, it is the responsibility of the Document/Contract Administrator to ensure appropriate reviews have taken place.

The Designated Signing Officer or OSO may request additional reviews prior to the execution of the document. It is the Document/Contract Administrator's responsibility to ensure other relevant College departments, in addition to the "Minimum Reviewers", review the Legal Document prior to providing the document to the Designated Signing Officer or the OSO.

Other departments include, for example, but are not limited to:

- Finance department reviews reporting and other financial or budgetary aspects
- Purchasing department reviews purchasing requirements that differ from the College process set out in College Policy #4-411, *Purchasing*.
- The Administrative Officer Finance and Administration reviews the insurance components.
- The Freedom of Information (FOI) Co-ordinator in the Human Resources department reviews the privacy components (FIPPA).
- Operational departments, such as Schools and service areas, review the operational requirements and ensure all deliverables can be met.

Where the Legal Document is reviewed by individuals in addition to the "Minimum Reviewers", the Document/Contract Administrator shall ensure that the additional review(s) is documented on the document authorization form.

13. Following execution, the original signed Legal Document will be forwarded to the appropriate department for filing (see the table in the Document Authorization Form). It is the Document/Contract Administrator's responsibility to ensure this is completed.
14. The department responsible for filing the original signed Legal Document must be able to locate the document when required. As well, it shall develop a tracking file, which includes the following fields for each document:
 - Sequential document tracking number
 - Description of contract
 - Parties involved
 - Date signed
 - Start date
 - End date
 - Term of the contract in years
 - Renewal terms, if applicable
 - Date renewal notice required, if applicable
 - Date termination notice required, if applicable
 - Total contract value for the full term
 - Document/Contract Administrator's name, title and department
 - Additional notes, if applicable
15. The following timelines should be expected to process a Legal Document other than a funding proposal:

- Minimum thirty (30) business days for the review and sign off of the Document Authorization Form; and
- Minimum five (5) business days for obtaining Designated Signing Officer or OSO signatures to execute the document, if no revisions are required.

Additional time should be planned in case the document requires an external legal opinion.

Funding proposals require a minimum of five (5) business days for financial, procurement, human resources and other reviews as required.

Emergency Purchase of Goods and Services

16. The Administrator On Call for the Residence, Physical Resources, Information Technology or their supervisor(s) are provided authority in Appendix A to sign a Legal Document relating to the purchase of goods or services in excess of \$24,999.99 in emergency situations, where not doing so would result in catastrophic consequences to the facilities or individuals.

This situation is expected to be extremely rare, however, when an emergency does arise, the administrator on call or their supervisor(s) who sign the Legal Document must send the fully executed document to their department's vice-president, along with a written rationale as to why there was not sufficient lead time for the Designated Signing Officer (applicable in a non-emergency situation) to execute the Legal Document.

Communication Responsibility

17. Internal and external communication related to the preparation and authorization of a Legal Document as well as the co-ordination between internal stakeholders is the responsibility of the Document/Contract Administrator.

Purchasing operating procedure (OP#4-411) – Internal Approval Authority

18. The College's Purchasing operating procedure (OP #4-411, Item #7) defines the College's internal approval authority schedule for procurement of goods and services, and it is not part of the Signing Authority operating procedure.

Implementation of Legal Documents

19. The Document/Contract Administrator is responsible for the implementation of the Legal Document, including but not limited to:
- Ensuring compliance with its terms and conditions.
 - Informing and monitoring departments of the College on a timely basis about specific requirements included in the document that relate to their area of responsibility.
 - Complying with reporting requirements.
 - Ensuring financial reports are prepared/reviewed by the Finance Department.
 - Planning for renewal processes where applicable and when necessary.

Related Documents

- College Policy #4-417, *Signing Authority*
- College Policy #4-411, *Purchasing and Administrative Operating Procedure OP #4-411, Purchasing*
- College Policy #4-419A, *Comprehensive Investment Policy Statement*
- College Policy #4-419D, *Ministry Endowment Investment Policy Statement*
- College Policy #4-424, *Operating Account Investment Policy Statement*

Appendices

- Appendix A, *Designated Signing Officers – Legal Documents*
- Appendix B, *Designated Signing Officers – Banking Transactions*
- Appendix C, *Designated Signing Officers – Investment Transactions*
- Appendix D, *Sub-Delegates*

Review/Revision Log:

Summary of Changes	Date
New procedure created March 2017, approved by ELT	April 25, 2017
Minor edits; procedure implemented	August 31, 2017
Minor updates to process identified, definition added; new statement 5 (relating to administrator on call) resulting in renumbering of remaining statements; updates to Appendices A, B, D	Sept/Oct 2017 Approved Nov 7, 2017
Major rewrite of operating procedure and changes to position titles	Approved June 3, 2019

Appendix A to Operating Procedure OP #4-417: *Signing Authority*

DESIGNATED SIGNING OFFICERS – LEGAL DOCUMENTS

The President delegates authority to sign on behalf of the College to the Vice-President(s) and Executive Director of Marketing and Recruitment as Designated Signing Officer(s) of Legal Documents limited to their respective area of responsibility as set out in the current organizational charts. The delegation of authority for the above positions is further restricted for agreements related to the purchase of goods and services; see the details in the table below.

The President further delegates authority to sign only the specific Legal Documents set out below on behalf of the College to the following positions as Designated Signing Officer where they simultaneously meet **all** of the following conditions:

- 1) has a value of less than \$1.0 million, unless a higher or lower limit is included in the table below
- 2) has a term of ten (10) years or less
- 3) is in compliance with all applicable policies of the college and applicable laws and government directives
- 4) relates to activities of the college that are permitted under its objects
- 5) it is governed by the laws of Ontario and the contract must relate to activities undertaken within Canada, unless
 - a. the purpose of the contract is
 - i. to purchase recruiting services; or
 - ii. to provide one or more of curriculum design, program design or faculty exchange
 - b. the total contract value is less than \$3.0 million
 - c. where the amount the college is required to pay or receive under the contract is undeterminable, the contract limits the liabilities of the college under the agreement to \$3.0 million

Legal Document	Designated Signing Officer(s)
<ul style="list-style-type: none"> - Government funding agreements and financial reports up to \$3.0 million - Other Financial reporting, including funding reimbursement and other funding related claim forms - Other funding agreements - Employment services employer training agreements 	<ul style="list-style-type: none"> - Director Finance - Director Budget Services - Manager Accounting Operations
<ul style="list-style-type: none"> - Student offer letters 	<ul style="list-style-type: none"> - Registrar
<ul style="list-style-type: none"> - Student placement agreements - Student field trips 	<ul style="list-style-type: none"> - Dean(s) - Principal(s)
<ul style="list-style-type: none"> - Contract faculty employment agreements - Student worker hire letter templates provided by HR - Termination letters and agreements 	<ul style="list-style-type: none"> - Relevant Administrator
<ul style="list-style-type: none"> - Part-time and temporary employment agreements 	<ul style="list-style-type: none"> - Relevant Administrator - HR Consultant(s) and HR Generalist, based on written direction from Relevant Administrator
<ul style="list-style-type: none"> - Arbitration settlements 	<ul style="list-style-type: none"> - Human Resource Consultant(s) - HR Consultant & Human Rights Officer - HR Generalist
<ul style="list-style-type: none"> - Proof of employment letters 	<ul style="list-style-type: none"> - Payroll Manager - Human Resource Consultant(s)

Legal Document	Designated Signing Officer(s)
	- HR Consultant & Human Rights Officer - HR Generalist
- Donor agreements	- Director Advancement and Alumni Relations - Director Finance
- Conference booking agreements	- Director, Physical Resources
- Residence rental agreement	- Director, Housing, Food and Student Conduct
- Donor receipts - Gift and grant applications	- Director Advancement and Alumni Relations
- Emergency purchase of goods and services >\$24,999.99 before taxes (see section 16)	- Residence, Information Technology or Physical Resource Administrator On Call or their Supervisor(s)
- Well Contractor license and application	- School of Environmental and Natural Resource Sciences Faculty, Licensed Well Technician
- Purchase orders <\$500,000 before taxes - Sale of assets, excluding real property - Vehicle registration and licensing	- Director Purchasing
- Purchase Orders < \$25,000	- Purchasing Specialist - Senior Purchasing Officer(s)

Delegated authority to sign Legal Documents for agreements related to the purchase of goods and services is set out in the table below. All agreements are to be reviewed by or advice obtained from Purchasing prior to signing. Purchasing or the College lawyer's review and advice should be incorporated into the agreement prior to the signature, and all fully executed agreements are to be returned to Purchasing. *Purchasing Policy #4-411* and *Administrative Operating Procedure OP #4-411*, including the associated competitive threshold requirements, are to be followed prior to entering into agreements for the purchase of goods and services.

Designated Signing Officer(s)	Authority Limit (limits reflect the total \$ value over the entire term of the agreement, including optional extensions)
- Vice-President Corporate Services	Agreements < \$1.0 million, including leases
- Vice-President(s) - Executive Director Marketing and Recruitment	Agreements < \$500,000, excluding leases
- Director(s) - Dean(s) - Principal(s) - CIO - Registrar	Agreements < \$100,000, excluding leases
- Relevant Administrators	Agreements < \$25,000, excluding leases

Appendix B to Operating Procedure OP #4-417: *Signing Authority*

DESIGNATED SIGNING OFFICERS – BANKING TRANSACTIONS

The President delegates authority to sign or approve any and all Banking Transactions on behalf of the College to the following positions as Designated Signing Officers:

- Vice-President Corporate Services
- Director Finance
- Director Budget Services
- Manager Accounting Operations

The President delegates limited authority for the authorization of payments from specific College bank accounts to the positions set out below as Designated Signing Officer. Authorization of payments from College bank accounts, except for student emergency loan accounts, require any one (1) of the Designated Signing Officers or OSO's for amounts up to \$10,000 and any two (2) for amounts greater than \$10,000. The student emergency loan bank accounts require any one (1) of the Designated Signing Officers or OSO's for amounts up to \$750 and two (2) for amounts greater than \$750 with at least one (1) being an Administrative position as set out below.

Bank Account(s)	Designated Signing Officer(s)
All	<p>The following positions in the Finance Department:</p> <ul style="list-style-type: none"> - Accounting Operations Officer - Academic Financial/Budget Officer - Enrolment/Budget Finance Officer - Technical Business Analyst (II) Finance
Payroll	<ul style="list-style-type: none"> - Vice-President Organizational Effectiveness and Human Resources - Payroll Manager
Student emergency loans	<p>Administrative Positions:</p> <ul style="list-style-type: none"> - Registrar - Associate Registrar, Systems and Financial Aid - Manager Records - Manager Admissions <p>Support Staff Positions:</p> <ul style="list-style-type: none"> - Financial Aid Advisor(s) - Financial Assistance Officer, Brealey - Financial Assistance Officer, Frost - Customer Service Advisor, Frost - Records Specialist, Frost

Appendix C to Operating Procedure OP #4-417: *Signing Authority*

DESIGNATED SIGNING OFFICERS – INVESTMENT TRANSACTIONS

The President delegates authority to sign or approve any and all Investment Transactions on behalf of the College to the following positions as Designated Signing Officers:

- Vice-President Corporate Services
- Director Finance
- Director Budget Services
- Manager Accounting Operations

Investment trading instructions, including giving orders or trading instructions to an investment firm require any one (1) of the Designated Signing Officers or OSO's. The execution of any and all agreements, consent letters of instruction or other documents required by the investment firm for the establishment, reclassification or operation of any accounts, withdrawal of any monies or securities contained in College investment accounts and any other Investment Transactions require any combination of two (2) of the Designated Signing Officers and/or OSO's.

Appendix D to Operating Procedure OP #4-417: *Signing Authority*

SUB-DELEGATES

In the case of an absence of a Designated Signing Officer for Legal Documents, delegation to a sub-delegate may occur. The sub-delegation must be in writing clearly stating the effective time period covered. The Vice-Presidents and the Executive Director of Marketing and Advancement may delegate Signing Authority for their area of responsibility to a Sub-Delegate. Additional sub-delegation may occur on a document by document basis as set out below.

Legal Document	Primary Signing Officer	Sub-Delegate(s)
<ul style="list-style-type: none"> - Student placement agreements - Student field trips 	Applicable Dean or Principal	- Academic Chair(s)
<ul style="list-style-type: none"> - Student offer letters 	Registrar	- Associate Registrar Systems and Financial Aid
<ul style="list-style-type: none"> - Purchase orders <\$500,000 before taxes - Sale of assets, excluding real property - Vehicle registration and licensing 	Director Purchasing	<ul style="list-style-type: none"> - Director Finance OR - Director Budget Services OR Manager Accounting Operations