

Board Governance Policy

BG II-06

Delegation of Contract Signing Authority

Policy Category :	Board Process		
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PURPOSE

This Policy delegates signing authority for executing legal documents, contracts, and instruments in writing on behalf of the College. This Policy is made pursuant to Bylaw 1 of the Board of Governors of the Algonquin College of Applied Arts and Technology, specifically Article 12 “Execution of Documents”.

POLICY

Pursuant to Article 12.2.5, the Board is responsible to direct the manner in which, and the persons by whom, any particular instrument, contract, or obligations of the Corporation may be executed. When approved by resolution by the Board, persons identified with the ability to bind the Corporation may do so without any further authorization or formality being required provided that the signatories have complied with this Policy. The President is accountable for the College’s compliance with this Policy and the Treasurer is responsible for the proper administration of this Policy.

This Policy, including the Delegation of Signing Authority Matrix (attached as Appendix A “Signing Authority Matrix”), authorizes the identified College Administrators to execute legal documents, contracts, and instruments that bind the Corporation on behalf of the College.

The Signing Authority Matrix identifies specific contract types and assigns them into Contract Classes. If a contract requiring execution is not specifically identified in the Signing Authority Matrix and if the Contract Class for the contract is not immediately recognizable, Signing Authority will be determined by the President or the Treasurer.

This Policy is subject to Section 28 of the Ontario Financial Administration Act which restricts the College from entering into binding commitments that serve to increase the indebtedness or contingent liabilities of the Province without obtaining the approval of the Ontario Minister of Finance.

The College has established the following framework to govern the delegation of contract signing authority:

1. College Administrator Categories

1.1 This Policy organizes College Administrators into the following hierarchical categories:

Category 1 College Administrators
The President and Chief Executive Officer
Senior Vice President and Vice Presidents

Category 2(A) College Administrators
Associate Vice Presidents
Chief Financial Officer
Chief Digital Officer
Executive Directors

Category 2(B) College Administrators
Deans and Directors

Category 3 College Administrators
Academic Chairs, Associate Chairs, and Associate Directors
Senior Managers and Managers

1.2 The Signing Authority Matrix organizes agreements into Agreement Types and identifies, by College Administrator Category, the College Administrators delegated to review or approve (execute) binding contracts.

1.3 College Administrators appointed into an Acting Administrator position (whether appointed to cover a temporary leave or for an extended period), are granted the authority of that College Administrator position to review or approve (execute) binding contracts.

1.4 Only Category 1 College Administrators can bind the Corporation for a term that exceeds 5 years in length. Renewal options that the College is unlikely to be able to deny are to be included in the calculation of the total term length for purposes of this Policy.

2. Signatory Requirements and Accountability

2.1 When executing binding contracts, the College requires two Administrators (identified in the Signing Authority Matrix as Signatory 1 and Signatory 2) to attest that contracts have received a diligent review and that their execution is defensible. Agreements identified in Sections 3.4 (Labour-Related Agreements) and 3.5 (Offers of Employment) are exempt from this requirement.

a. Signatory 1 must sign that they have completed a thorough and objective review of the contract's merits and risks before it is presented to Signatory 2 for consideration. This must

include consideration of the need for detailed legal, accounting, technical, governance, and risk assessment, and a calculation of the monetary value of the contract over its binding lifetime.

- b. Signatory 2 must evaluate the contract review conducted by Signatory 1 to determine if there is reasonable assurance that contract execution is defensible and in the Public's best interests.
- c. Upon signing the reviewed contract, Signatory 2 will complete the College's contract review and approval process and the contract will bind the College.

2.2 Binding contracts often require specialist knowledge and scrutiny before being considered for execution. Signatory 1 must ensure that binding contracts requiring specialist knowledge are scrutinized and signed by College leaders with appropriate expertise in Academics, Human Resources, Risk, Facilities, Information Technology, and Finance. For example, equipment donation agreements for gifts-in-kind that require installation and maintenance on College property must be reviewed by the Executive Director, Facilities Management or his/her designate to identify if there are safety or engineering concerns, and to confirm the total cost of ownership calculation before accepting the donation.

2.3 College Administrators must ensure their signing activities are exercised in accordance with this Policy and must act in the best interest of the College and the public when exercising their delegated authority which includes, without limitation, ensuring they are not in an actual, potential, or perceived conflict of interest.

- a. If a College Administrator believes they may have a conflict of interest or believes that signing a document would contravene their obligations under Section 2.1, before signing the document they must declare the conflict or contravention to the President or the Vice President of Finance and Administration.

2.4 Consequences for failing to comply with the requirements of this Policy include the revocation of the authority granted by this Policy, legal action, disciplinary action, or termination.

3. Delegation Rights and Exemptions

3.1 A College Administrator in a higher-level category may, at any time, exercise the authority delegated to a College Administrator in a lower-level category. For example, a College Administrator in Category 1 can at any time exercise the signing authority delegated to a College Administrator in Category 2(A), Category 2(B), or Category 3.

3.2 College Administrators are permitted to delegate their signing authority to a colleague from the same College Administrator Category (or higher), subject to the colleague being knowledgeable on the agreement subject matter and their willingness to accept full accountability. This means, Category 1 Administrator can sign for other Category 1 Administrators, Category 2(A) Administrators for other Category 2(A) Administrators, Category 2(B) Administrators for other Category 2(B) Administrators, and Category 3 Administrators for other Category 3 Administrators.

a. A College Administrator that has accepted an authority delegation from a colleague cannot sub-delegate that authority.

3.3 Should the President or the Treasurer determine that it is in the College's or the public's best interests to do so, they may (in writing) restrict a College Administrator's delegated signing authority. Further, should the President or the Treasurer determine that it is in the College's or the public's best interests to do so, they may (in writing) empower a College Administrator with the authority to act as their designate.

3.4 Labour-Related Agreements. The President may delegate a College Administrator in Human Resources to act and sign on his/her behalf during employee and Union negotiation, settlement, and arbitration proceedings. Collective bargaining agreements and other labour-related legal documents are exempt from the two-signatory requirement.

3.5 Offers of Employment. Offers of Employment are exempt from the two-signatory requirement provided the employment position has been approved by the appropriate authority and the offer includes only standard employment provisions (as determined by Human Resources or as detailed in collective agreements).

4. Legal Form of Contract

4.1 College Administrators are required to use, when available, an approved College contract template as the legal form of contract with External Parties.

a. When the External Party proposes a different legal form of contract, a review is required by the College's Finance and Administrative Services, and Risk Management departments. These departments will assess the contract for compliance with Broader Public Sector Procurement Guidelines and financial and risk impacts. The assessment will also consider legal, accounting, technical, governance, reporting, and ongoing support requirements.

b. When the External Party proposes a different legal form of contract, the College's Chief Financial Officer may require that the College's approved General Terms and Conditions are appended to the External Party's contract.

4.2 New College contract templates are approved by the Office of the Vice President, Finance and Administration.

MONITORING

5. Internal Controls

In situations where the President or the Treasurer believes it would be in the College's financial or reputational interests to do so, they may require a review of the management and compliance of any

contract. College Administrators are expected to provide all support necessary to successfully conduct and complete these review activities.

6. Record Retention

The College's corporate enterprise Finance and Human Management system(s) will serve as the final record keeper for all original fully executed Legal Documents. A copy of executed Legal Documents may be retained in a secure location within the originating department.

RELATED MATERIALS

1. Bylaw #1 of the Board of Governors
2. BG II-02 Financial Management
3. Ontario Finance and Administration Act
4. College General Terms and Conditions <https://www.algonquincollege.com/safety-security-services/internal-control/general-terms-and-conditions/>

APPENDIX A

Signing Authority Matrix

Two Administrative Signatures are required in the Contract Review and Approval process. The Signing Authority Matrix identifies the Minimum Position in Organization Required to Complete a Contract Review and Approval.

Contract Class	Agreements Type	Criteria	Specific Signatory Requirements	Category 1 College Administrators	Category 2(A) College Administrators	Category 2(B) College Administrators	Category 3 College Administrators
A	Procurement Agreements Purchase of Goods , Services, Software, Construction Agreements and Change Orders (Must be Within Approved Budget)	Less than \$25,000				Signatory 2	Signatory 1
		Between \$25,000 and \$100,000			Signatory 2		Signatory 1
		Between \$100,001 and \$1,000,000		Signatory 2		Signatory 1	
		Greater than \$1,000,000	President or Treasurer			Signatory 1	
B	Real Property Leasing	Not subject to Delegation	President or Treasurer		Signatory 1: Executive Director, Facilities Management		
	Real Estate Acquisition and Disposition (Board of Governors Approval Required Before Signing)	Not subject to Delegation	President or Treasurer		Signatory 1: Executive Director, Facilities Management		
C	Applied Research Binding Proposals, Funding Agreements, Research, Partnership and Collaboration Agreements	Less than \$25,000				Signatory 2	Signatory 1
		Between \$25,000 and \$100,000			Signatory 2		Signatory 1
		Between \$100,001 and \$500,000		Signatory 2		Signatory 1	
		Greater than \$500,000	President or Treasurer			Signatory 1	
D	Revenue Agreements Binding Proposals, Funding Agreements, Teaching and Training, Corporate and Contract Training and Commercial Services	Less than \$25,000				Signatory 2	Signatory 1
		Between \$25,000 and \$100,000			Signatory 2		Signatory 1
		Between \$100,001 and \$500,000		Signatory 2		Signatory 1	
		Greater than \$500,000	President or Treasurer			Signatory 1	
		AC - Contract Template Less than \$500,000		Signatory 2		Signatory 1	
		AC - Contract Template Greater than \$500,000	President or Treasurer			Signatory 1	
E	Academic Agreements Affiliation, Articulation, Inter-Institutional Collaboration, Binding Memorandum of Understanding, Binding Letter of Intent, Sale of Curriculum	Less than \$100,000				Signatory 2	Signatory 1
		Between \$100,001 and \$500,000			Signatory 2		Signatory 1
		Greater than \$500,000	President or Treasurer			Signatory 1	
		AC - Contract Template Less than \$500,000		Signatory 2		Signatory 1	
		AC - Contract Template Greater than \$500,000	President or Treasurer			Signatory 1	
F	Advancement and Development Agreements Donations, Bequests, Strategic Partnerships and Naming Agreements	Less than \$100,000		Signatory 2: Vice President, Advancement and Strategy		Signatory 1	
		\$100,000 and greater	President	Signatory 1: Vice President, Advancement and Strategy			
		AC - Contract Template Less than \$500,000				Signatory 2	Signatory 1
		AC - Contract Template Greater than \$500,000	President	Signatory 1: Vice President, Advancement and Strategy			
G	Employment Related Agreements Employment Agreements, Negotiated Settlements, Employment Severance Agreements, Letters of Understanding	Standard Offers of Employment					With position and terms appropriately approved, exempt from two signatory requirement
		Settlement and Severance Less than \$100,000		Signatory 2: Vice President, Human Resources		Signatory 1: Director in Human Resources	
		Settlement and Severance \$100,000 and greater	President	Signatory 1: Vice President, Human Resources			
		Letters of Understanding and Other Agreements		Signatory 2: Vice President, Human Resources		Signatory 1: Director in Human Resources	

Note Agreements not specifically identified in the Schedule, where the Contract Class is not immediately recognizable, Signing Authority will be determined by the President or the Treasurer.

Legend

Category 1 College Administrators	Category 2(A) College Administrators	Category 2(B) College Administrators	Category 3 College Administrators
The President	Associate Vice Presidents	Deans and Directors	Academic Chairs, Associate Chairs, and Associate Directors
Senior Vice President and Vice Presidents	Chief Financial Officer, Chief Digital Officer, and Executive Directors		Senior Managers and Managers