

## **Appendix E**

### **RESOLUTION RESPECTING THE EXECUTION OF INSTRUMENTS BY McMASTER UNIVERSITY**

#### **I JURISDICTION AND PURPOSE**

1. The 1976 Act, Section 9, vests in the Board the government, conduct, management, and control of the University and of its property, revenues, business and affairs. In Board By-law No. 5, the Board has authorised officers of the University to sign deeds, transfers, assignments, contracts and obligations on behalf of the University.
2. The purpose of this resolution is to designate clearly which persons are authorised to sign deeds, transfers, assignments, contracts, obligations, agreements or documents on behalf of the University when such documents have been approved by the appropriate body or official of the University. These include all documents related to the University receiving money, to the purchase or lease of goods and services and to agreements having no financial commitment.
3. All dollar amounts cited in this document are exclusive of duties, taxes and shipping charges. Contracts that span over a period of greater than one (1) year should not be broken down into annual amounts when assessing the appropriate level of contract execution.
4. This resolution shall not apply to the signing on behalf of the University of the certificates and other academic documents arising from the actions of the Senate in accordance with the 1976 Act, Section 13.

#### **II RESPONSIBILITIES AND CONFLICT OF INTEREST**

1. Persons with signing authority have the responsibility to exercise their authority in the manner of a prudent University administrator. Where the commitment involves Real Estate, the Vice-President (Administration) shall review the documents. Depending upon the nature and complexity of the agreement to be signed, the responsibility of persons with signing authority shall include an assessment of some or all of the following:
  - a) the ability of the University to meet any financial obligations resulting from the agreement;
  - b) the ability of the other party(ies) to meet its (their) obligations;
  - c) compliance with labour legislation, employee collective agreements, sponsor guidelines, tax legislation, other legislative and regulatory requirements, and applicable University policies;
  - d) whether all approvals required by any applicable policy or practice have been obtained for the contract;
  - e) whether terms and conditions of the contract should be reviewed by Strategic Procurement;
  - f) in association with the Vice-President (Administration), whether legal advice is needed;
  - g) the financial and other benefits that are expected to flow to the University as a result of the contract;

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- h) whether the overhead rate, if any, included in the contract is consistent with University guidelines;
  - i) the provisions regarding intellectual property requirements, physical, bodily injury and personal injury indemnities, and environmental liabilities.
2. Persons designated or appointed under this resolution shall not exercise their signing authority in circumstances where conflicts of interest exist or could be seen to exist; in addition, such persons shall inform their immediate supervisor when such circumstances exist. [Persons designated or appointed under this resolution are referred to “Conflict of Interest Policy for Employees” (2012), the “Statement on Conflict of Interest in Research” (2009) and “Statement of Ethics for Senior Executive Officers” (1990).]
3. One of the original signed contracts (if retained by the University) must be deposited with the Vice-President (Administration) or be maintained in a location approved by the Vice-President (Administration).
4. Vice Presidents must ensure a register of contractual documents pertaining to their portfolio is maintained, excluding documents for the purchase of goods and services which are maintained by Strategic Procurement.

That register is to include:

- a) a list of contractual documents signed by the appropriate individuals and the corresponding execution date;
- b) the name of any other party or parties signing the documents and their respective execution dates;
- c) a brief description of the subject matter contained in the documents;
- d) the effective start and termination date and the actual or estimated amount of each contractual obligation.

### **III RESOLUTION**

#### **The Board hereby resolves:**

1. That each of the following University officers be and is hereby authorised, where required, to affix the corporate name and seal of the University on all deeds, transfers, assignments, contracts, obligations or documents on behalf of the University, provided that the agreement has been signed in accordance with the provisions of this policy: the Chair of the Board, the Vice-Chair(s) of the Board, the Chair of the Planning and Resources Committee, the Secretary of the Board, the President, the Provost, the Vice-President (Administration), the Dean and Vice-President (Health Sciences), the Vice-President (Research ) and the Vice-President (University Advancement).
2. Notwithstanding provisions found elsewhere in this resolution, any contract or agreement to which the corporate seal is to be affixed must include the signature of an officer authorised by the Board of Governors to affix to seal.

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3. The personnel authorised to execute contracts and agreements relating to the operation and development of the University and to bind the University to the terms thereof shall depend on the dollar amount of such contracts and agreements, the subject matter of such contracts and agreements as set out below and whether or not the University is receiving or paying out money under the contract or agreement. For agreements that span over a period of greater than one (1) year, dollar amounts, including annual maintenance fees, should be aggregated across all years and should not be broken down into per annum amounts when assessing the proper authorisation required.

## Authority Matrices

### Contracts

Signing authority for contracts and agreements above \$50,000, and to bind the University to the terms thereof, must be executed by a minimum of two approvers from the charts below, one of whom must be from the highest level.

No contract over \$10,000 for the purchase of goods or services may be released until approved through the electronic system using the charts below.

### Purchase Orders

Purchase requisitions related to the purchase or lease by the University of Goods and Services and/or Real Estate will be approved in the electronic system by the authorities given in the charts below.

#### A.1 All Funds: excluding the Research Fund (see A.2) and Capital Fund (see A.3 and A.4)

	1 <sup>st</sup> Approver	CTO Review	2 <sup>nd</sup> Approver	3 <sup>rd</sup> Approver	4 <sup>th</sup> Approver
	<b>Department and/or Project Holder</b>  <b>(Account Holder)</b>	<b>Only for Technology</b>  <b>(Hardware or software related goods or services)</b>	<b>One of area: AVP<sup>^</sup>, Dean, VP</b>	<b>Following Planning and Resources Committee Approval:</b>  <b>One of: AVP(Administration) and CFO, VP(Administration), Provost, President</b>	<b>Following Board of Governors Approval: One of:</b>  <b>VP(Administration), Provost, President, Board Secretary, Board Chair</b>
<b>&lt; \$50,000</b>	X				
<b>\$50,000 up to \$1,999,999</b>	X	X	X		
<b>\$2,000,000 up to \$9,999,999</b>	X	X	X	X	
<b>Over \$10,000,000</b>	X	X	X	X	X
			Additional Signature must be at least one level up from 1 <sup>st</sup>	The individual approving signs to confirm Board/Committee approval.	

AVP<sup>^</sup> signing officers include: Assistant Vice-President, Associate Vice-President, Registrar, University Librarian, Treasurer, Director of Faculty Administration, Executive Director to the Provost, Director of Administration and Finance for University Research Envelope. Director of Education Services (Faculty of Health Sciences), Associate Dean of Education Services (Faculty of Health Sciences), and Director of Financial Services.

**A.2 Research Fund**

	1 <sup>st</sup> Approver	Research Eligibility Review	CTO Review	2 <sup>nd</sup> Approver	3 <sup>rd</sup> Approver	4 <sup>th</sup> Approver
	<b>Project Holder (Account Holder)</b>	<b>Secondary Research Office (Central/ FHS-HRS)</b>	<b>Only for Technology (Hardware or software related goods or services)</b>	<b>One of: AVP<sup>^</sup>, VP</b>	<b>Following Planning and Resources Committee Approval: One of: AVP(Administration) and CFO, Area VP, VP(Administration), Provost, President</b>	<b>Following Board of Governors Approval:  One of: VP(Administration), Provost, President, Board Secretary, Board Chair</b>
<b>&lt; \$50,000</b>	X	X				
<b>\$50,000 up to \$1,999,999</b>	X	X	X	X		
<b>\$2,000,000 up to \$9,999,999</b>	X	X	X	X	X	
<b>Over \$10,000,000</b>	X	X	X	X	X	X
				Additional Signature must be at least one level up from 1 <sup>st</sup>	Additional Signature must be at least one level up from 2 <sup>nd</sup>	
						The individual approving signs to confirm Board/Committee approval.

AVP<sup>^</sup> signing officers include: Associate Vice-President (Research), Associate Dean, Health Sciences (Research), Director of Administration and Finance for University Research Envelope, Assistant Vice-President and Chief Administrative Officer (Faculty of Health Sciences), Director, Health Research Services, and Assistant Dean, Research Infrastructure.

**A.3 Capital Fund (Project Approval)**

	1 <sup>st</sup> Approver	2 <sup>nd</sup> Approver	3 <sup>rd</sup> Approver	4 <sup>th</sup> Approver	5 <sup>th</sup> Approver
	<b>One of, Director of Construction, Director of Maintenance</b>	<b>AVP (Facilities Services)</b>	<b>VP (Administration)</b>	<b>Following Planning and Resources Committee Approval:  One of: AVP(Administration) and CFO, Provost, or President.</b>	<b>Following Board of Governors Approval:  One of: Provost, President, Board Secretary, Board Chair</b>
<b>&lt; \$50,000</b>	X				
<b>\$50,000 up to \$499,999</b>	X	X			
<b>\$500,000 up to \$1,999,999</b>	X	X	X		
<b>\$2,000,000 up to \$9,999,999</b>	X	X	X	X	
<b>Over \$10,000,000</b>	X	X	X	X	X
Cumulative cost overruns exceeding the lesser of (i) 25% of the original approved overall project budget, or (ii) \$500,000, require re-approval by the highest original approver. *		Additional Signature must be at least one level up from 1 <sup>st</sup>		The individual approving signs to confirm Board/Committee approval.	
*N.B. If cost overruns result in a total revised value that coincides with a higher approval threshold, then the approval of the higher level approver must also be obtained. *Cost overruns on Board or Planning and Resources Committee approved projects will be reported to the Planning and Resources Committee at its next meeting.					

**A.4 Capital Fund (Award of Purchase Orders/Contracts) including Professional Consultants\***

	1 <sup>st</sup> Approver	2 <sup>nd</sup> Approver	3 <sup>rd</sup> Approver	4 <sup>th</sup> Approver	5 <sup>th</sup> Approver
	<b>One of, Director of Construction, Director of Maintenance</b>	<b>AVP (Facilities Services)</b>	<b>VP (Administration)</b>	<b>Following Planning and Resources Committee Approval:  One of: AVP(Administration) and CFO, Provost, or President.</b>	<b>Following Board of Governors Approval:  One of: Provost, President, Board Secretary, Board Chair</b>
<b>&lt; \$50,000</b>	X				
<b>\$50,000 up to \$499,999</b>	X	X			
<b>\$500,000 up to \$1,999,999</b>	X	X	X		
<b>\$2,000,000 up to \$9,999,999</b>	X	X	X	X	
<b>Over \$10,000,000</b>	X	X	X	X	X

Change Orders to existing Contracts/Purchase Orders which do not increase the approved Overall Project Budget require approval as following:

- 1) Individual Change Order of value less than \$50,000 to be approved by Director of Design and Construction.
- 2) Individual Change Order >\$50,000 up to \$499,999 to be approved by Assistant Vice-President and Chief Facility Officer.
- 3) Individual Change Order >\$500,000 up to \$1,999,999 to be approved by Vice-President (Administration).
- 4) Individual Change Order >\$2,000,000 up to \$9,999,999 to be approved by the Planning and Resources Committee.
- 5) Individual Change Order > \$10,000,000 to be approved by the Board of Governors, following Planning and Resources Committee endorsement.

Change orders that cumulatively add up to more than the approved overall project budget but do not result in an increase to overall project budget are to be advised to the next level approver for review. If change orders, alone or cumulatively, result in an increase to the overall project budget, approval for the increased overall project budget must be sought subject to cost overrun approval limits.

\* Includes Architects, Engineers, Design Consultants and Construction Managers.

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**In no case may a signing officer sign to approve the same document twice.**

All purchases of goods and services and leases must be executed using the duly authorised processes developed and supported by the Department of Strategic Procurement.

All Investments must be executed by the Treasurer, using the duly authorized processes of the appropriate committees of the Board of Governors.

**B. Human Resources**

1. Employment related contracts will follow collective agreement provisions as ratified by the Board of Governors, or defined salary policies or guidelines, such as the applicable policies governing compensation discussions for members of the McMaster University Faculty Association, and the terms of reference of the Human Resources Committee of the Board of Governors.
2. This policy does not restrict remittance to the Receiver General as required by law for Payroll. This includes remittances such as Canada Pension Plan, Employment Insurance premiums, Income Tax, Employer Health Tax or other contributions as may be required by Federal or Provincial legislation.
3. This policy does not restrict remittance for monthly or quarterly payments to approved employee benefit and insurance providers (such as Health, Dental, Group RRSP, Group Life Insurance, Pension, Post-Retirement benefits, and liability insurance plans) for delivery of contracted services. Approval of benefit, benefit administration, and insurance contracts awarded through the Request for Proposal process will follow the charts in this policy.

**C. For All Non-Competitive Consulting Services (as defined by the Broader Public Sector Procurement Directive)**

- i. Up to \$999,999

Shall be executed by the Approvers identified in the appropriate chart in Section A above,

- ii. \$1,000,000 and Over

Shall be executed by the approvers identified in the appropriate chart in Section A above after approval has been given by the Board of Governors or by its Executive and Governance Committee.

**D. For All Agreements where the University is Receiving Donations, Bequests or Gifts (see Gift Acceptance Policy (2011))**

- i. Over \$1,000,000.00,

Shall be executed by the President and the Vice-President, University Advancement.

- ii. Less than \$1,000,000,

Shall be executed by the Vice-President, University Advancement.



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iii. Acceptance of any gift that involves a proposal to name is conditional upon final approval of the naming by the Board of Governors.

**E. For All other Agreements, not involving Research and Intellectual Property, where the University is Receiving Money, or where the Agreement Does Not Deal with the Payment by Either Party of Money**

i. Under \$2,000,000.00 or where the agreement does not deal with the payment by either party of money

Shall be executed by two (2) of the officers as identified in the charts in Section A, one of whom must be an identified Dean, AVP<sup>^</sup> or Vice President of the University, and the second must be a Vice-President or the President.

ii. Over \$2,000,000 and less than \$10,000,000

Shall be executed by one of the officers identified in the charts in Section A, after approval has been given by the Planning and Resources Committee of the Board of Governors.

iii. \$10,000,000 and over

Shall be executed by one (1) of the officers designated in section III.1, after approval has been given by the Board of Governors or by its Executive and Governance Committee.

**F. Research And Intellectual Property: For All Agreements, Involving Research And Intellectual Property, Or Resulting From A Peer Or Merit Review Process Where**

- **The University Is Receiving Money;**
- **The University Is Transferring Funds To A Collaborating Partner Institution; or**
- **The Agreement Does Not Deal With The Payment By Either Party Of Money**

i. Under \$2,000,000, including where the agreement does not deal with the payment by either party of money

only one signature is required, from the chart F.1. below.

ii. \$2,000,000 and over

In the case of agreements involving research funding that result from a peer or merit review process, authority is delegated to two (2) of the officers designated in section III.1.

In the case of where receipt of research funds requires the expenditure of incremental McMaster cash specific to the proposed research, approval for this incremental cash contribution will follow the charts in Section A.

F.1.

	One of AVP^, VP	Two (2) of the signing officers designated in Section III.1
Under \$2,000,000	X	
\$2,000,000 and over		X

AVP^ signing officers include: Executive Director of the McMaster Industry Liaison Office, Executive Director of the Research Office for Administration, Development and Support, Associate Vice-President (Research), Associate Dean Health Sciences (Research), Director, Health Research Services.

#### **IV COMMENCEMENT**

1. This resolution shall take effect on 1st day of July, 2017 and from that date shall supersede a Board of Governors' resolution that took effect on the 11<sup>th</sup> day of December, 2011.

#### **Related Policies**

##### **Strategic Procurement**

<http://www.mcmaster.ca/bms/policy/purchase/SP-01.pdf>

##### **Internal Audit Department Policy Statement**

<http://www.mcmaster.ca/policy/General/BusOp/IntAuditPolicy.pdf>

##### **Construction And Maintenance Projects Policy**

<http://www.mcmaster.ca/policy/General/BusOp/ApprovalAuthoritiesConstructionMaintenance.pdf>

##### **Statement of Ethics for Senior Executive Officers**

<http://www.mcmaster.ca/policy/Governance/Other/Ethics%20Statement%20for%20Senior%20Executives.pdf>

##### **Statement on Conflict of Interest in Research**

<http://www.mcmaster.ca/policy/faculty/Research/StatementOnConflictOfInterestInResearch.pdf>

##### **Conflict of Interest Policy for Employees**

[http://www.mcmaster.ca/policy/Employee/Conflict\\_of\\_Interest\\_Policy.pdf](http://www.mcmaster.ca/policy/Employee/Conflict_of_Interest_Policy.pdf)

##### **Gift Acceptance Policy**

<http://www.mcmaster.ca/policy/advancement/GiftAcceptancePolicy.pdf>

##### **Intellectual Property Policy**

<http://milo.mcmaster.ca/policies/ip-policy>