

# Policy on Contract Signing Authority

**Category:** Operations

**Approval:** Board of Governors

**Responsibility:** University Secretary

**Date:** June 2010; Revised – June 2018; June 2020

## Definitions:

“Contract” refers to any arrangement or agreement which involves an exchange of value between the University and another party or parties, and is legally binding on the University.

“Delegate” refers to those persons, authorized by this Policy as well as any alternative officers as may be referred to in the related procedures, to enter into contracts on behalf of the University.

## Purpose/Reason for Policy:

This policy concerns University contracting and the delegation of authority to contract on behalf of the University. It reflects the commitment of Trent University to the proper management of and accountability for the resources of the University. Compliance with this policy will safeguard University resources through the application of consistent management practices and controls in the contracting process.

The Trent Act (1963) grants to the University’s Board of Governors the power to govern the affairs of the University and conduct its business. Section 34 of Board By-law No. 1, authorizes the Board to delegate any officer or officers or any other person or persons on behalf of the University, to sign and deliver contracts, documents or instruments.

The Policy applies to all contractual arrangements to which the University is a party, including without limitation, contracts involving the University’s administration and academic departments.

This Policy identifies all contracts and agreements within the University which require prior Board approval and establishes the signing authority for same. Further, this Policy delegates authority to the President and Vice-Presidents Group (PVP), through associated procedures, to designate the positions within the University structure which carry the authority to approve and sign all other contracts on behalf of the University, thereby ensuring accountability and proper management of University resources.

Only those persons authorized by this Policy may enter into contracts on behalf of the University (hereafter a “delegate”).

## Policy:

### A. CONTRACT SIGNING AUTHORITY - GENERAL

All University staff and persons acting on behalf of the University share in the overall responsibility for the sound stewardship of University finances and resources and each has a responsibility to be aware of

and to comply with related University Policies, control procedures and practices.

A member of the University staff or a person acting on behalf of the University who develops a contract or recommends that the University enter into a contract (herein, "proponent") is required to take all reasonable steps to ensure the sound stewardship of the University's interests and resources, which include trust funds and public funds. The University expects proponents and all others who may be involved in the contracting process on behalf of the University to act ethically and diligently in carrying out their fiduciary responsibilities to the University.

No person may enter into arrangements purporting to bind the University to contractual obligations unless he/she has been granted authority to do so pursuant to this Policy or associated Procedures (herein referred to as a "Delegate"). In circumstances where the "Delegate" position is vacant, a person appointed by the University to act in that position shall have all the rights and responsibilities of a Delegate.

## **B. VALIDITY OF CONTRACTS**

To enter into a binding contract with the University, all persons, firms and corporations must contract in the manner provided by this Policy and in accordance with contract law. This applies equally to those who seek to contract with the University and those who seek to contract on behalf of the University.

## **C. RESPONSIBILITY OF DELEGATES**

A Delegate shall not take any part in contracting on behalf of the University if he/she has a conflict of interest or if it is reasonably foreseeable that a perception of a conflict of interest may arise.

Before a Delegate signs a contract, he/she shall ensure there are reasonable grounds to believe that all of the following conditions are met:

1. The proposed contract is in the best interest of the University;
2. It is fiscally responsible to enter into the contract;
3. The contract does not conflict with legislative or regulatory requirements, or with Policies, collective agreements or other legal obligations of the University;
4. Approvals have been obtained to comply with legislative and regulatory requirements and practices, procedures and Policies of the University, such as governmental authorities, Board of Governors, Senate, etc. (as applicable);
5. Provision has been made for adequate indemnity, insurance and risk mitigation plans has occurred;
6. Intellectual property interests, proprietary to the University, are appropriately protected in terms that conform with the University's Policies, collective agreements and existing legal obligations.

## **D. CONTRACTS REQUIRING APPROVAL OF THE BOARD OF GOVERNORS**

The Board of Governors is responsible to oversee and direct all matters respecting the management, administration and control of the University's property, revenues and financial affairs.

Pursuant to The Trent University Act, 1963 (the "Act") the Board of Governors may enter into any contract deemed appropriate and within its jurisdiction. Contracts are deemed to be properly executed if signed in accordance with the Act.

1. A resolution of the Board of Governors, is required for the University to enter into contracts of

the nature described below:

- a) Contracts for the purchase, sale or mortgage of land;
  - b) Licenses to use, leases and commitments of real property, facilities or resources of the University for a term exceeding 6 years;
  - c) Contracts having an anticipated cost to the University of \$500,000.00 or more;
  - d) Collective bargaining agreements;
  - e) Bonds, debentures and securities issued by the University or agreements involving the borrowing of money or the guaranteeing of obligations;
  - f) Contracts having the potential to significantly impair the financial status of the University, contracts with the potential of material risk or onerous consequences, whether legal, financial, reputational or otherwise or contracts that are precedent-setting or involve sensitive issues.
  - g) Contracts reserved for the consideration of the Board of Governors by the University President, a Vice-President or the Board of Governors.
2. The following Delegates are authorized to sign contracts which have been approved by resolution of the Board of Governors:
- a) Any one of the President, the Chair or a Vice-Chair, together with any one of a Vice-President or Secretary (as defined in sec. 34 of Board By-Law No. 1).

#### **E. OTHER CONTRACTS – AUTHORITY OF DELEGATES**

Except for those circumstances as specified in Section D, the accompanying Administrative Procedures– “Contract Signing – Authority of Delegates” establishes delegated contract signing authority, as approved and/or amended by the President-Vice-Presidents Committee (PVP) from time to time.

#### **Contact Officer:**

University Secretary

#### **Date for Next Review:**

TBD

#### **Related Policies, Procedures & Guidelines**

- a) Administrative Procedure: Contracts – Delegated Signing Authority
- b) Procurement of Goods & Services Policy and Procedures
- c) Board By-law No. 1
- d) Board Special Resolutions II.1, II.2, II.3, and II.4

#### **Policies Superseded by This Policy:**

- a) N/A