1. Preamble and Purpose

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

1.2. This Policy applies to all contractual arrangements to which the University is a party, including, without limitation, contracts involving the University's administrative units, academic departments, its unincorporated entities and institutes.

1.3. This Policy designates the positions within the University structure which carry the authority to sign contracts on behalf of the University. To ensure accountability and proper management of resources, it specifies responsibilities of those who are authorized to sign contracts on behalf of the University. Those with responsibility for signing contracts are expected to ensure that contracts are for duly authorized products, services or undertakings and comply with the policies and practices as established by the Senate and the Board of Governors (the Board).

2. Definitions

2.1. **Contract**: means contract, document or instrument in writing and includes, but is not limited to, any agreement, contract, subcontract, letter of intent, memorandum of understanding, memorandum of agreement, lease, deed, transfer, instrument, assignment, obligation, certificate or other document, the provisions of which may be binding upon the University.

2.2. **Officer of the University**: has the meaning given under By-law No. 1 of the Board of Governors, as it may be amended from time to time. Currently, this definition means any of the Chair, Vice-Chair(s), the President and Vice-Presidents, the Associate Vice-President (Finance and Services), the Controller, the Chairs of each of the Audit & Risk, Finance, Pensions, Physical Resources & Property Committees, the Chair of the Board of Trustees, the Secretary (but not the Secretary's designate), and such other officers as the Board may designate from time to time.
3. Delegation

3.1. Under the University of Guelph Act 1964 ("Act"), the Board of Governors has, except for those matters assigned to Senate, responsibility for the “government, conduct, management and control” of the University.

3.2. Pursuant to the Act, the Board has approved By-law #1 through which general signing authority has been delegated to Officers of the University.

3.3. Pursuant to the Act, the Board has established a Signing Authority Register ("Register") through which limited signing authority can be delegated for those positions and circumstances specifically identified.

3.4. Subject to annual review by the Board, amendments to the Register may be made as follows:
   a. for signing authority over $50,000 and up to $500,000, approval must be given by two from among the President and Vice-Presidents, one of whom must have operational responsibility for the proposed signatory
   b. for signing authority of $50,000 or less, approval must be given by the President or Vice-President with operational responsibility for the proposed signatory.
   c. All delegated authorities under this policy shall be included in the Register and provided annually to the Board of Governors.

3.5. The Board confirms the obligation under its Bylaw No. 1 that Contracts be signed by two signatories unless specifically noted in the Signing Authority Registry. If any signing authority is absent from the University, the individual assuming the role in an acting capacity has the signing authority for the signing officer, as applicable.

4. Contract Management

4.1. Negotiating Agreements
   a. Employees who undertake agreement negotiations on behalf of the University have the responsibility to:
      i. be aware of relevant University policies and any required authorizations or approvals before negotiations commence including but not limited to the Conflict of Interest policy (http://www.uoguelph.ca/hr/node/1695);
      ii. ensure the negotiating process includes appropriate consultation regarding the University’s internal requirements including other units which may be significantly impacted, applicable legislative and regulatory requirements and required insurance coverage;
      iii. determine whether there are financial issues that should be reviewed by Financial Services (i.e. method of payment, tax consequences, method of acquisition);
      iv. carry out due diligence regarding the other contractual party (i.e. verify the legal entity, financial viability);
v. determine whether legal support or advice is required and obtain such support as early as possible in the negotiation process; if in doubt, contact the University’s Legal Counsel;

vi. ensure agreements are entered into in the name of the “University of Guelph”. The name of a College, regional campus or an academic unit may be added to agreements in certain cases but the contracting party must be identified as the “University of Guelph”;

vii. negotiate in the best interests of the University;

viii. advise the other contracting party that the agreement is not considered final or binding until it has been signed in accordance with University policies.

4.2. Signing Agreements

a. Everyone authorized to sign agreements on behalf of the University must be satisfied that the terms set out above under “Negotiating Agreements” have been considered and that all appropriate reviews and approvals have been obtained.

b. Those with signing authority shall diligently bring to the attention of the administrator at the next highest level, those agreements within their jurisdiction that are considered of sufficient importance regardless of value, prior to their signature, namely agreements with an unusually high risk factor, agreements that might bring the activities of the University under public scrutiny or agreements which might involve any controversial matter. In these circumstances, consultation with the VP (Finance, Administration and Risk) or University Legal Counsel may be appropriate.

4.3. Agreement Retention

a. Signing officers will keep the original agreement or, when not available, an accurate and complete copy thereof, as well as the necessary supporting documents, in that person’s office or a place under that person’s control.

5. Contracts Requiring Authorization of the Board of Governors

5.1. Authorization from the Board of Governors (or such delegated committee) 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 or facilities of the University for a term exceeding 5 years;

c. Contracts having an anticipated cost to the University of two million dollars or more excepting (a) non-speculative futures contracts to acquire natural gas for utility services, (b) non-speculative hedging foreign currency and interest rate transactions and (c) acquisitions within normal operating expenditures and approved budget provisions;
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d. Collective bargaining agreements except grievance settlements, Letters of Understanding and all such other agreements pertaining to collective bargaining agreements entered into with union agents which, in the opinion of the Associate Vice-President Human Resources, do not materially alter collective bargaining agreements;

e. Bonds, debentures and securities issued by the University or agreements involving the borrowing of money or the guaranteeing of obligations which exceed approved policy limits;

f. Contracts under the Board’s authority which have 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 under Board policy or as determined by the Board of Governors, or the University President.

6. Review

6.1. This Policy will be reviewed by the Governance and Human Resources Committee of the Board of Governors no less frequently than every five years and when the Board of Governors amends by-laws pertaining to Officers of the University or Execution of Documents.