

## **Delegation of Authority Policy**

### **Purpose**

The Board of Directors (“**Board**”) of the Vector Institute (“**Corporation**”) must ensure that the Corporation has in place policies and procedures for the approvals, leasing, purchasing, and contracting in respect of capital and real property, goods, and services. These policies and procedures must address the identification of authorizations as required by legislation and the Corporation’s funding agreements. The Board must monitor the Corporation’s compliance with these policies and procedures.

### **Delegation under the By-law**

By-Law No. 1 of the Corporation establishes a general rule for signing documents where there is no specific resolution authorizing signing authorities and states:

*“Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any two of its officers or Directors. In addition, the Board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal (if any) to the document. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.”*

### **Additional Board Delegation**

In addition to the signing authority granted under By-Law No. 1, the Board hereby approves the delegations of authority set out in the attached Schedules:

- Schedule A – Procurement Approval Levels & Contract Signing
- Schedule B – Human Resources Approval Levels
- Schedule C – Invoice Approval Levels
- Schedule D –Travel, Meals & Hospitality Expense Claim Approval Levels
- Schedule E – Investments
- Schedule F – The CEO’s Delegation of Authority
- Schedule G – Banking

### **Matters Requiring Board Approval**

Notwithstanding these authorizations, prior Board approval by resolution is required for any of the following:

- a) All commitments not included in a Board-approved plan, which are not terminable by the Corporation without liability upon giving no more than 90 days’ notice, or, in any event, involving liability on the part of the Corporation in excess of an unbudgeted amount of \$100,000.00;
- b) The sale, lease, exchange, transfer or other disposition of any assets of the Corporation, which individually or cumulatively exceeds \$25,000.00;
- c) All real property purchases and sales;
- d) All capital equipment, renovations, and projects, which individually or cumulatively exceeds \$100,000.00;

- e) The provision of financial assistance, whether by loan, guarantee, or otherwise to any person (except for new faculty members receiving assistance to relocate to Canada as part of a hiring package);
- f) The mortgaging, pledging, or otherwise encumbering any of the assets of the Corporation; and,
- g) Professional and consulting services contracts over \$100,000.

## Schedule A – Procurement Approval Levels & Contract Signing

### Procurement Approval Levels

Nature of Procurement	Method	Threshold Levels	Delegated Authority	
			Board	CEO
<b>Consulting Services</b> - The provision of expertise or strategic advice that is presented for consideration and decision making.	Invitational Competitive or Open Competitive	Up to \$1M		CEO
		\$1M or more	Board	
	Non-competitive	Up to \$0.1M		CEO
		\$0.1M or more	Board	
Goods and Non-Consulting Services. <b>Non -consulting services</b> are the provision of activities, excluding consulting, and physical or moveable property.	Invitational Competitive or Open Competitive	Up to \$1M		CEO
		\$1M or more	Board	
	Non-competitive	Up to \$0.5M		CEO
		\$0.5M or more	Board	

### Contract Signing Authority

Subject to prior Board approval where required, the CEO has the authority to sign all contracts and agreements (including sponsorship agreements) valued at less than \$1.5 million.

The CEO must abide by the requirements outlined in Corporation’s Sponsorship of External Parties Policy.

Signature of the Board Chair or Treasurer is required for contracts and agreements valued at \$1.5 million or more with the following exception:

The CEO or the Chief Operating Officer (“**COO**”) and Chief Financial Officer (“**CFO**”)<sup>1</sup> are delegated the authority to jointly sign, on behalf of Corporation, contracts in respect of procurements of goods and services that were previously approved by the Board, subject to the following:

- a. The total value of such contracts is within the amounts approved by the Board, and
- b. The procurement has followed Corporation policies and procedures and the applicable BPS Procurement Directives.

The CEO is authorized to further establish delegations of authority within the Corporation with the intent of achieving appropriate segregation of duties, oversight, and control, which is described in Schedule F.

<sup>1</sup> For the purposes of banking matters and financial matters, the Director of Finance is the CFO.

## Schedule B – Human Resources Approval Levels

Activity	Position	Delegated Authority
Offers of Employment	All c-suite positions	Board Chair or Treasurer or Secretary
	All positions other than c-suite positions	CEO or COO

## Schedule C – Invoice Approval Levels

All invoices require the approval of the COO or a VP prior to the invoices being paid.

## Schedule D – Travel, Meals & Hospitality Expense Claim Approval Levels

### Approval to Travel for Employees

- Travel within the Greater Toronto and Hamilton area and the Kitchener-Waterloo corridor area: Requires prior written approval of a Director or above.
- Travel Within Ontario: Requires prior written approval of either the COO or a VP or above.
- Travel Within North America (outside Ontario): Requires prior written approval of the COO or above.
- Travel Outside North America: Requires prior written approval of the COO and Board Chair.
- Travel by the COO within North America (outside Ontario) requires approval by the CEO.

### Expense Claim Reimbursement Approval

- All expense claims require review by another member of the professional staff prior to approval.
- All expense claim reimbursements require the approval of either the COO or a VP.
- COO expense claim reimbursements require CEO approval, after review by another member of the professional staff.
- CFO expense claim reimbursements require COO approval, after review by another member of the professional staff.
- CEO expense claim reimbursements require approval of the Board Chair or Treasurer or Secretary, after review by another member of the professional staff.
- All expense claims in excess of \$25,000 CAD always require approval of the CEO.

## Schedule E – Investments

### **Policy Statement**

Investment decisions will prudently balance liquidity, risk, growth and yield, and produce a total return that will preserve the real purchasing power of the principal invested.

Cash that is surplus to its current requirements may be invested through Canadian Schedule A banks in:

- Government of Ontario or Canada Treasury bills or equivalent e.g., Guaranteed Investment Certificates (GICs)
- Government of Ontario or Canada bonds or equivalent e.g., Guaranteed Investment Certificates (GICs)

Maximum investment term of surplus funds shall be up to eighteen months.

### **Delegation of Authority**

All investment transactions require the joint written approval of the COO and CFO prior to the transaction initiation.

A summary of investments will be presented at each meeting of the Audit and Finance Committee.

## Schedule F – The CEO’s Delegation of Authority

The CEO may delegate his or her authority (“**Authority**”) to Vector’s professional staff (“**Approver**”) within the parameters set out in this Schedule.

### Principles

The CEO may delegate to Approvers having the appropriate knowledge and accountability. Approvers must have cost centre accountability as recorded in the Record of Authorization. Levels of authority are established to provide effective financial controls and segregation of duties.

### Record of Authorization

The Director of Finance must maintain a record of Approvers who are authorized to approve commitments and payments (“**Record of Authorization**”). This includes the name and title of each Approver, their level of authority, the cost centres for which they have signing authority, designation, and a signature specimen.

### Alternate Delegation of Authority

Each Approver must appoint a back up or alternate delegation of authority at the beginning of each fiscal year. Changes or additions may be made as required due to changes in circumstances during the year.

This alternate delegation of authority is used to expedite business transactions, such as invoice payment approval or minor procurement approval and is not intended for the authorization of major transaction activity such as business cases or contract approval.

The CEO must approve urgent business case or contract approval required during absences/unavailability of the Approver.

### Procurement

The following table outlines the delegation of authority categories and related position titles. These categories and position titles classify the applicable delegation of authority limits identified in this Schedule.

Category	Position Title
Level 1	CEO
Level 2	COO, CFO
Level 3	VP, Industry Innovation, VP Health Strategy & Partnerships
Level 4	Office Services Manager

### Taxes

All authorization limit amounts outlined in Appendix 1 and 2 do not include taxes (per Section 6 of the BPS Procurement Directive) and are in Canadian dollars.

### Contract Approval

#### Goods, Consulting and Non-Consulting Services Contracts

Contract signing authority follows the procurement threshold levels described in Appendix 1 and 2. The CEO’s or COO’s signature is required on Board-approved items.



### Data Sharing, Collaboration and other Similar Agreements

The CEO's signature is required on all contracts.

### **Invoice Payment Approval**

#### Invoices without Purchase Orders

All procurements of \$3,000 or more require purchase orders unless the CEO, CFO, or COO has provided prior approval. COO or CFO approval is required for payment of all invoices.

#### Standard Payroll, WSIB, and Employee Benefits

The CFO may approve standard payroll, WSIB, and employee benefits payments.

#### Invoice Charges to Cost Centres

Approval to charge invoices to cost centres requires the authorization of the CEO, CFO, or COO.

**APPENDIX 1 to Schedule F**

**Procurement Approvals – Consulting Services**

<b>Nature of Procurement</b>	<b>Method</b>	<b>Thresholds</b>	<b>Board</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>
Consulting Services	Open Competitive	\$0 to <\$0.1M			CEO or COO and a VP		
		\$0.1M up to \$1M		CEO			
		\$1M or more	Board <sup>2</sup>				
	Invitational Competitive	Up to \$0.1M		CEO or COO			
		\$0.1M or more	Board <sup>2</sup>				
	Non-Competitive	Up to \$0.1M		CEO			
		\$0.1M or more	Board <sup>2</sup>				

---

<sup>2</sup> CEO signature required for Board-approved procurements.

**APPENDIX 2 to Schedule F**

**Procurement Approvals – Goods and Non-Consulting Services**

Nature of Procurement	Method	Thresholds	Board	Level 1	Level 2	Level 3	Level 4
Goods	Direct Invoice or Credit Card	< \$3,000		CEO or COO or CFO or a VP or Events Manager or Office Services Manager			
		\$3,000 to \$5,000		CEO or COO or a VP or Events Manager			
	Purchase Order <sup>3</sup>	\$5,000 to \$10,000		CEO or COO or a VP			
	Invitational Competitive <sup>3</sup>	\$10,000 to \$25,000		CEO or COO and a VP			
		\$25,000 to <\$0.1M		CEO or COO			
	Open Competitive <sup>3</sup>	\$0.1M to \$1.5M		CEO			
\$1.5M or more		Board <sup>4</sup>					
Non-Consulting Services	Invitational Competitive	\$10,000 to <\$0.1M		CEO or COO or COO and a VP			
	Open Competitive	\$0.1M to <\$1M		CEO			
		\$1M or more	Board <sup>4</sup>				
	Non-Competitive	\$10,000 to <\$0.1M		CEO or COO			
		\$0.1M to \$0.5M		CEO			
		\$0.5M or more	Board <sup>4</sup>				

<sup>3</sup> CFO signature required for Level 1, 2 and 3 approvals above \$3,000.

<sup>4</sup> CEO signature required for Board-approved procurements.

## Schedule F – Banking

The Board delegates to the CEO the authority to approve all banking subject to the following conditions:

Approval of the Board Chair or Treasurer is required for the following matters:

- Cheques or individual electronic funds transfers with a value of \$1.5 million or greater *unless* the funds are for the payment of payroll, employee benefits, or other employee incentive payments.
- Authorized signatories make the following “representations” when signing/approving banking transactions:
  - Explicit representations for statements/information detailed on the signed document.
  - Implicit representations with respect to:
    - The availability of funds for the specified transaction.
    - The transaction being within their delegated scope and dollar limit.
    - The appropriateness of the transaction based on their first-hand knowledge or other satisfactory documentation of the transaction, including:
      - that the work has been performed, goods supplied, and/or services rendered; or
      - that the payment is being made in accordance with the contract.
- Persons delegated the authority to sign are to sign their own names.
- The use of rubber stamps, signature plates, or other mechanical devices to affix the signature is prohibited with the exception of carbon set forms wherein only the top copy needs to be signed.
- All on-line banking transactions shall be signed by use of a bank Electronic Access Code/ Pass Code assigned by or set up with the Bank.
- Bank access and authorization codes may be used only by the person to whom these have been assigned.
- Access codes and pass codes assigned by the Bank shall be safeguarded only by the System Administrators.

## DELEGATION OF AUTHORITY FOR BANKING MATTERS

<b>Positions Authorized for Banking</b>
<b>Group A</b> <ul style="list-style-type: none"> <li>• Office Services Manager</li> <li>• Manager, Finance</li> </ul>
<b>Group B</b> <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> <li>• COO</li> </ul>
<b>Group C</b> <ul style="list-style-type: none"> <li>• Board Chair</li> <li>• Board Treasurer</li> <li>• Board Secretary</li> </ul>

<b>Authorized Activity</b>	<b>Authorization Delegated To:</b>
<b>Establishing a new or closing an existing Canadian dollar bank account</b>	2 authorized persons from Group B or C
<b>Establishing a new or closing an existing non-Canadian dollar bank account</b>	2 authorized persons from Group B or C
<b>Authorizing transfers between bank accounts</b>	2 authorized persons from Group A or B
<b>Cheque signing and electronic funds transfer</b>	
For payments up to \$4,999.99	2 authorized persons
For payments between \$5,000.00 and \$19,999.99	2 authorized persons, of which 1 may be from Group A
For payments between \$20,000 and \$1,499,999.99	2 authorized persons excluding Group A
For payments of \$1,500,000.00 or more for payroll, employee benefits or leases	2 authorized persons from Group B
For all other payments of \$1,500,000.00 or more	2 authorized persons, of which 1 is from Group B and 1 is from Group C
<b>System Administration Administrators</b>	CFO and COO

TOR01: 8040441: v4