

## 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. 2 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. 2, 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 \$2.5M		CEO
		\$2.5M 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 valued at less than \$2.5 million, as well as industry sponsorship agreements.

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 \$2.5 million or more with the following exception:

The CEO or the Chief Operating Officer (“**COO**”) and Chief Finance Officer (“**CFO**”) 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 government directives, including the *Broader Public Sector Procurement Directive*.

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.

### Schedule B – Human Resources Approval Levels

Activity	Position	Delegated Authority
Offers of Employment	Creation of new c-suite positions	Board Chair or Treasurer or Secretary
	Hiring of existing vacant c-suite positions	Board Chair or Treasurer or Secretary or Chair, Human Resources & Compensation Committee
	All positions other than c-suite positions	COO
	Replacement hires below the Manager level for approved positions	Director, Human Resources & Corporate Services
	Changes to Terms & Conditions of employment within an approved budget plan e.g., a contract extension	Director, Human Resources & Corporate Services

## Schedule C – Invoice Approval Levels

Invoices with approved budget plans and/or business cases and/or contracts/agreements or other equivalent documentation may be approved in accordance with the table in "[Purchases under \\$10,000](#)" and forwarded to the Finance team for processing and payment.

Invoices above \$10,000 without a business case or signed contract/agreement must be approved by the CFO.

Invoices above \$5,000 but below \$10,000 without a business case or signed contract/agreement must be approved by a VP.

Invoices below \$5,000 without a business case or signed contract/agreement may be approved by the Director, Human Resources & Corporate Services.

## 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-level manager<sup>1</sup> or above.
- Travel Within Ontario: Requires prior written approval of either the Director, Human Resources & Corporate Services or a VP or above.
- Travel Within North America (outside Ontario): Requires prior written approval of the COO/CFO or above.
- Travel Outside North America: Requires prior written approval of the COO/CFO and Board Chair.
- Travel by the COO/CFO 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 trained in the review of expense approvals prior to approval.
- All expense claim reimbursements require the approval of either the Director, Human Resources & Corporate Services or the COO/CFO or a VP.
- COO/CFO expense claim reimbursements require CEO 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, regardless of level.

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<sup>1</sup> There are two types of Directors in Vector as of July 2022: Individual-contributor level Directors (salary band Grade 5) and Director-level managers (salary band Grade 6).

## Schedule E – Investments

### **Statement of Investment Policy**

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/CFO and Director of Finance 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 either at the beginning of each fiscal year or when unavailable due to business purposes e.g., approved leave such as illness or vacation.

The CEO may delegate their authority to the COO/CFO during an approved leave e.g., illness, vacation etc.

Changes or additions may be made to the alternate delegation as required due to changes in circumstances during the year.

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

In the absence of a delegated authority, the financial approval for a particular business case, contract approval, or financial transaction shall revert to one level up, as opposed to one level down.

- For example, if the COO/CFO is absent, financial approvals for the COO/CFO revert up one level to the CEO—not down one level to Director of Finance.



**Purchases under \$10,000**

Spending authority for purchases of goods and services under \$10,000 (before taxes) that are approved in the budget are authorized to the following persons.

Spending Authority	Position Title
\$10,000	Chief Executive Officer; Chief Operating Officer; Chief Finance Officer;
\$10,000	VP, AI Engineering; VP, Marketing & Communications; VP, Industry Innovation; VP, Health; VP, Research Operations & Academic Partnerships; Chief Information Officer; Director of Finance; Director, Human Resources & Corporate Services;
\$5,000	Director, Community Engagement & Events; Director, Scientific Computing; Director, Marketing and Brand; Director, Research Operations; Director, Applied AI Projects;
\$3,000	Events Manager; Office Services Manager; Systems Operations Manager; Director, Professional Development; Director, Communications and Public Affairs;

A Business case is not required for purchases under \$10,000.

These spending authorities also reflect the individual's credit card limit, where a credit card has been issued, with the exception of the Director of Finance that carries a higher limit as usage is available to the entire corporation with appropriate approval.

Any individual purchase made on a credit card must not exceed \$5,000 unless there is no other option available, and the absence of such options has been confirmed, in writing, by the vendor.

An invoice for the expense must be provided to the Finance team at the time of purchase.

## **Procurement**

Accepted procurement methods and approval requirements are outlined in Appendix 1 for goods, consulting, and non-consulting services.

## **Taxes**

All authorization limit amounts outlined in Appendices 1 and 2 do not include taxes (per Section 6 of the *Broader Public Sector Procurement Directive*) and are in Canadian dollars.

## **Contract and Agreement Approval**

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

Contracts pertaining to procurements will follow the procurement approval requirements in Appendix 1.

One of either the CEO's or CFO's signature is required on Board-approved items.

### Data Sharing Agreements

Vector's Chief Data Officer is authorized to sign Data Sharing Agreements (or equivalent) and individual Data User Agreements (DUA's).

Any Data Sharing Agreement that does not contain a corporate level indemnity, insurance guarantee, representation, or third party insured may be approved by the Chief Data Officer.

Any Data Sharing Agreement that also contains an insurance guarantee, representation, or third party insureds must be approved by the COO/CFO.

Data Sharing Agreements that also contain a corporate level indemnity must also be signed by the CEO.

### Collaboration Agreements / MOU's

Collaboration agreements and MOU's must be signed by a VP and the COO/CFO.

Business case approval by the CEO is required on unbudgeted new agreements over \$10,000.

### Grants and Other Agreements

Signing authority for grants and contracts or agreements other than procurements are described in Appendix 2.

One of either the CEO's or COO/CFO's signature is required on Board-approved items.

### External Sponsorship Agreements

External sponsorships require a completed Sponsorship Evaluation Form, as described in the requirements outlined in Corporation's *Sponsorship of External Parties Policy*, with signed approval from two of the following: a sponsoring VP, the Director, Community Engagement & Events, or the COO/CFO.

### **Invoice Payment Approval**

Invoices with approved budget plans and/or business cases or contracts/agreements or other equivalent documentation may be approved by VP's and forwarded to the Finance team for payment.

Invoices above \$10,000 without a business case or signed contract/agreement must be approved by the CFO.

Invoices above \$5,000 but below \$10,000 without a business case or signed contract/agreement must be approved by a VP.

Invoices below \$5,000 without a business case or signed contract/agreement may be approved by a VP or the Director, Human Resources & Corporate Services.

Approval from the Director of Finance is required for payment of all invoices in addition to any other approvals outlined in this document.

### Purchase Orders

Purchase orders are required for all purchases of \$5,000 or more unless prior approval of the CFO has been obtained.

### Standard Payroll, WSIB, and Employee Benefits

The CFO or Director of Finance may approve standard payroll, WSIB, and employee benefits payments.

### Invoice Charges to Cost Centres

Allocation of invoice charges to cost centres requires approval of one of the CEO, CFO, or Director of Finance.

## APPENDIX 1 to Schedule F

### Procurement Approvals

<i>Nature of Transaction</i>	<i>Threshold</i>	<i>Method</i>	<i>Business Case Required?</i>	<i>Approved By:</i>
<b>Goods and Non-consulting Services</b>	< \$10,000	N/A	No	N/A
	\$10,000 to <\$0.1M	Invitational / Open	Yes	VP
	\$0.1M to \$0.5M	Open Competitive	Yes	COO and VP
	\$0.5M to \$2.5M	Open Competitive	Yes	CEO
	\$2.5M or more	Open Competitive	Yes	Board
	\$10,000 to <\$0.1M	Non- Competitive	Yes	COO and VP
	\$0.1M to \$0.5M	Non- Competitive	Yes	CEO
<b>Consulting Services</b>	\$0.5M or more	Non- Competitive	Yes	Board
	Up to \$0.1M	Invitational	Yes	VP
	\$0.1M to \$0.5M	Open Competitive	Yes	COO and VP
	\$0.5M up to \$1M	Open Competitive	Yes	CEO
	\$1M or more	Open Competitive	Yes	Board
	< \$20,000	Non- Competitive	Yes	VP
	\$20,000 to <\$50,000	Non- Competitive	Yes	COO
\$50,000 to <\$0.1M	Non- Competitive	Yes	CEO	
\$0.1M or more	Non- Competitive	Yes	Board	

## APPENDIX 2 to Schedule F

### Contract/Agreement Approvals

	<b>Amount of contract/ agreement</b>	<b>Approval</b>
<b>Grants and other Agreements</b>	\$0 to <\$0.2M	VP
	\$0.2M to <\$1.0M	COO and VP
	\$1.0M to <\$2.0M	CEO
	\$2.0M or more	Board

## 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>
<p><b>Group A</b></p> <ul style="list-style-type: none"> <li>● Director, Human Resources &amp; Corporate Services</li> <li>● Manager, Finance</li> <li>● Office Services Manager</li> </ul>
<p><b>Group B</b></p> <ul style="list-style-type: none"> <li>● Chief Executive Officer</li> <li>● Chief Operating Officer</li> <li>● Chief Finance Officer</li> <li>● Director of Finance</li> </ul>
<p><b>Group C</b></p> <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, of which 1 may be from Group A
<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

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