

# OVERVIEW OF SIGNING POLICY (EFFECTIVE MAY 1, 2021)

## WHAT IS THE **CONTEXT** ?

The Signing Policy has been reviewed in line with the commitment for a review made at the time of approval in 2018.

Revisions to the Policy were approved by the Audit Committee and the Board of Governors in February 2021.

This presentation provides an overview of the key changes and resources in place to support the implementation of the Policy.

# WHAT REMAINS **THE SAME**?

1. Maximum contract value thresholds established for the senior administration: Principal: \$6M/VPs: \$4M/DP,GC, SG: \$2M;
2. Quarterly reporting obligations for contracts valued at \$10K and above, which are executed pursuant to delegations established by Signing Officers;
3. Continued ability of Signing Officers to assign (to delegates) and revoke (from delegates) signing authority;
4. Ongoing practice of establishing temporary delegations in the event of absences;
5. Second signature requirements (for contracts above \$1M) and requirements for legal review of contracts;
6. Annual reporting to the Audit and Risk Committee on issues of non-compliance.

# WHAT CHANGES?

## 1. SCOPE

Policy applies to contracts between the University **and a third party**, external to McGill (not captured in scope are inter-unit agreements) and to contracts that **incur an expense or generate revenue** (not just those that incur an expense)

## 2. EXPANDED POOL OF SIGNING OFFICERS

The pool of signing officers has been expanded to include other senior positions with budgetary and financial responsibilities (i.e. APs, AVPs, Deans, Exec Directors). The threshold of their authority is \$1M.

## 3. CHANGES TO DESIGN OF POLICY

Rather than linking signing authority solely to portfolio responsibility, the Policy focuses on **authorizing contracts required for the stewardship of the signing officer's portfolio, based on approved budget allocations enabling expenses or revenues related to the contract**. This means that signing officers or their delegates will be authorized to sign contracts, in line with their general portfolio responsibility and budgetary authority. (Appendix A of the current Policy, listing by each signing officer, the contract classes under their responsibility, has been eliminated).

In addition, the Policy identifies **specialized types of contracts (Tables A and B)** whose approval and signing, **would be authorized by specific signing officers**. Approval of these contracts would **not be subject to any delegation**, thereby providing for a more controlled exercise of signing authority.

Contracts related to a construction or renovation project will be executed by the signing officers listed in Tables A **only following the approval of the overall project by the position holding that responsibility** (VP, Principal, Building and Property Committee, Board).

# List of contracts subject to exclusive authority of portfolios identified in Table A

## Contracts under the sole authority of the Provost and VP, Academic portfolio

- Canada Research Chairs
- International Partnership Affiliation Agreements
- Academic Pursuit Agreements

## Contracts under the sole authority of the VP (Administration and Finance) portfolio

- Acquisition of Immovable Property
- Servitudes
- Leases (except for student residences)
- Construction and renovation
- Investment related to endowment funds
- Investment of cash and borrowing (short-term and long-term)
- Financial Services
- IT infrastructure, acquisition of goods that involve integration with University's IT systems
- IT acquisition of software applications or cloud services

# List of contracts subject to exclusive authority of portfolios identified in Table A

## Contracts under the sole authority of the VP (Research and Innovation) portfolio

- Applications for research funding
- Research award agreements
- Research sub-agreements
- Research-related service agreements
- Research commercialization agreements
- Research-related exchange agreements
- Research collaboration / partnership agreements

## Contracts under the sole authority of the VP (University Advancement) portfolio

- Donation, philanthropic agreements
- Honorific naming agreements
- Sponsorship agreements supporting UA

## Contracts under the sole authority of the VP (CER) portfolio\*

- Contracts for the acquisition of services that relate to brand and public relations (\*some delegated authority to Deans)
- Sponsorship agreements (with exception of UA)
- Acquisition of audio-video or multimedia
- Acquisition of website development/creation services

# List of contracts subject to exclusive authority of portfolios identified in Table A

## Contracts under the sole authority of the Deputy Provost (SLL) portfolio

- Leases for student residences

## Contracts under the sole authority of the General Counsel portfolio

- Legal services contracts

*\* Please refer to Table A of the Policy for more details*

# List of contracts subject to exclusive authority of portfolio identified in Table B

## Contracts under the sole authority of the Principal

- Research and commercialization applications above \$15 million and up to \$25 million
- Research award agreements above \$4 million and up to \$6 million
- Investment contracts up to 2.5% of the MIP
- Donation, philanthropic, and honorific naming agreements between \$6 million and up to \$50 million (following approval of the Board Chair)

*\* Please refer to Table B of the Policy for more details*

# WHAT **CHANGES**? (continuation)

## 4. LIMITS ON DELEGATIONS

With the exception of contracts listed in Tables A and B, all other contracts can be delegated but no more than two levels lower and not below the level of Manager (M3 or equivalent)

## 5. ELIMINATION OF SUBDELEGATIONS

Delegations are no longer subject to any sub-delegation.

## 6. ENABLING REVOCATIONS OF DELEGATIONS BY THOSE WITH HIGHER AUTHORITY

Positions at a higher level of authority than the signing officer responsible for establishing the delegations may revoke an established delegation.

# WHAT CHANGES?

## 7. TEMPORARY ABSENCES AND TEMPORARY DELEGATIONS

Signing officers and delegates may temporarily delegate signing authority to other positions (in situation where they are away for 4 days or longer). Temporary delegates are subject to same reporting requirements that apply to other delegates.

## 8. REPORTING REQUIREMENTS APPLICABLE TO DELEGATES

Reporting requirements on contracts valued at \$10k and over can be fulfilled at any time during the applicable quarter and not only just at the end of the quarter.

Reporting requirements apply to all contracts, except employment contracts and purchase orders.

## 9. REGULAR REVIEW OF DELEGATIONS BY SIGNING OFFICER

Review of delegations will be done by the signing officer on a regular basis. Delegations are valid for one-year and renewed unless determined otherwise by signing officer (The Secretariat will initiate this review process).

# WHAT CHANGES?

## 10. SIGNING AUTHORITY LIMITATIONS RELATED TO STAFF TRANSITIONS

Signing officers and delegates, other than the Principal and the Principal's direct reports, will not be able to exercise signing authority following their notice of **termination/resignation from the University** or **one month prior to the end of their employment with the University** unless that authority is explicitly confirmed to them by a position at a higher level or authority.

Signing officers and delegates who remain in the employ of the University following the end of the assignment which gave rise to their authority as a signing officer or as a delegate, will continue to be vested with signing authority.

## 11. INCORPORATING LEGISLATIVE PROVISIONS

Legislative requirements have been incorporated into to the Policy to avoid the need for stand-alone delegations (*Act respecting Contracting by Public Bodies, CQLR., c. C-65.1* and the *Act respecting the autorité des marchés publics*);

## 12. POLICY REVIEW PROCESS

A steering committee will review the Policy at least once every five years and submit, via the SG, proposed changes to the Board's Audit Committee.

# RESOURCES AND TOOLS

- Secretariat - **questions** may be addressed to: [signingpolicy.secretariat@mcgill.ca](mailto:signingpolicy.secretariat@mcgill.ca)
- Overview of Policy and Tools: <https://www.mcgill.ca/secretariat/implementation-revised-signing-policy-may-1-2021>
- **Handbook** on signing for the signing community
  - The Handbook includes:
    - Overview of key changes
    - Second Signature Procedures
    - Templates (to use for completing delegations, revocations of delegations, temporary delegations during absences)
    - Checklist on signing for reference
- **Training** sessions (April 2021)

# NEXT STEPS

- Elimination of sub-delegations
- Review of delegations by current signing officers
- Establishment of delegations by new signing officers (\$1M)