

**Preamble**

This policy is effective immediately and remains effective until rescinded. It rescinds and replaces any previous signing authority policy or limits.

All employees must be aware of their responsibilities with respect to “commitments”. A commitment is any act, process, transaction or understanding by which a financial obligation is incurred, through formal documentation such as contracts, letter agreements and purchase orders (POs), or less formally such as with credit cards, email or verbally.

**General Policy Statements**

**Policy**

- a) A commitment may only be entered into and related payments made as authorized by this policy.
- b) A commitment must comply with all applicable law and ROM policy in effect when the commitment is entered into (e.g., Code of Conduct Policy, Conflict of Interest Policy, Purchasing Policy, Ontario Travel, Meal and Hospitality Expenses Directive).
- c) Prior to entering into a commitment, an employee must ensure that all internal processes have been followed and proper authorizations obtained.
- d) Commitments do not include cheques, electronic fund transfers, inter-company transfers, payroll or statutory payments. These are governed by the Payment Authority Policy.
- e) A commitment should not be split into smaller pieces with the intent of circumventing the authority matrix set out in Appendix A. If a commitment requires approval in stages, or is expected to span over multiple years, the initial authorization must be made by an approver with sufficient authority to approve the best available estimate of the entire anticipated commitment.
- f) Verbal commitments are only permitted for amounts below \$5,000 and must be documented.
- g) Authority to enter into commitments (“signing authority”) may only be delegated as permitted by this policy.
- h) Failure to comply with any part of the Signing Authority Policy is a serious matter and may lead to disciplinary action.

**Review, Approval and Execution of Internal and External Documents**

- a) A commitment process variously involves some combination of internal analysis and approval followed by external activities involving one or more parties.
- b) Internal documents include business cases, purchase requisitions, cheque requisitions, expense reports, project charter, etc.
- c) External documents include RFXs (e.g., Request for Proposal, Request for Quote), contracts, contract amendments, contract term extensions, statements of work, purchase orders, invoices, change orders, credit notes, etc.
- d) The approval limits in Appendix A apply to both internal and external documents except as otherwise indicated in this policy.
- e) The terms & conditions for any contract with an expected total commitment value of more than \$121,200 must be reviewed and approved by at least one of the CEO, COO or CFO.
- f) Invoices must be approved in accordance with the Signing Authority Matrix except:
  - Invoices greater than \$121,200 may be approved by any of the CEO, COO or CFO
  - Regulated utility invoices up to \$250,000 may be approved by the Chief Facilities Officer
  - "Matched" Standard PO invoices are deemed approved for payment. A standard PO invoice must exactly match the underlying PO amount and description. If the PO was properly approved, receipt of the goods or services has been confirmed, and the invoice is an exact match to the PO, the invoice may be deemed approved for payment. If there is a discrepancy between the

purchase order, receiving report and invoice, the invoice will be returned to the department for discrepancy review.

- g) Ordinarily, once approved by the required authority level, a non-invoice commitment should be executed (e.g., contract signed) by the same authority level. However, an approved non-invoice commitment may be executed as follows:

excluding taxes	≤ \$50,000	> \$50,000 ≤ \$121,200	> \$121,200
Execution permitted by:	<i>any one of:</i> CEO Deputy Director Chief Vice President AVP/Head Manager	<i>any one of:</i> CEO Deputy Director Chief Vice President	CEO <i>or any two of:</i> Deputy Director Chief

Approvers executing a commitment must satisfy themselves that all required Appendix A approvals have been documented and all signing authority and contract management procedures have been followed, e.g., Board, business case, finance, legal, procurement.

- h) A statement of work (SOW) requires separate specific approval unless the activities and cost being authorized are specifically contemplated in the associated contract.
- i) For contracts, amendments and extensions with an uncertain total dollar value, approvals and execution should be based on the highest reasonable estimate of value over the life of the commitment.

### Procurement

- a) Commitment processes must comply with the ROM Purchasing Policy and the Ontario Public Service Procurement Directive (March 2019 or as updated).
- b) For single and sole source commitments, the required authority level increases by one level. For example, a \$60,000 sole source purchase must be approved at the \$121,200 - \$600,000 authority level.
- c) Contract changes (e.g., amendments, change order and extensions) must be approved based on the revised total value.

#### *Examples:*

- (i) a change to a \$80,000 contract increasing its value to \$121,200 would be approved at the \$121,200 level;
- (ii) a change to a \$121,200 contract that does not change its value would be approved at the \$121,200 level.

**Exception 1:** The exercise of a pre-existing contract extension option (e.g., option year) and associated purchase order may be approved based on just the extension value, not the total contract value.

**Exception 2:** Value increases up to the greater of 10% and \$121.2K that otherwise would require Board approval may be approved by the CEO or COO plus CFO or VP Finance with the Finance & Audit Committee advised at its next regular meeting.

### Roles and Responsibilities

See Appendix A.

## Escalations and Exceptions

### Additional Signing Authorities and Delegation

*This section does not apply to bank signing authority, e.g., cheques/EFTs, which may not be delegated. Please refer to the Payment Authority Policy.*

- a) The CEO may add or amend position names on the Signing Authority Matrix (Appendix A) up to the \$121,200 signing authority level. The CFO may do so up to the \$50,000 level. Either the CEO or CFO may reduce or remove a position's signing authority by way of written notice to the Vice President, Finance.
- b) A person may delegate some or all their signing authority. Written or electronic notification of this delegation, including specific start and end dates, should be provided to the delegator's supervisor and other appropriate personnel including Vice President, Finance. Delegation documentation must be kept on file by the delegator for audit purposes. A delegation period of more than 21 days must be approved by the CEO or a Deputy Director or Chief.
- c) If multiple approvers are required for a commitment, up to one delegate is permitted. The CEO, COO, CFO or VP Finance may approve both on their own authority and as a delegate if the commitment is urgent, no other approver is available, and the delegator is advised by email or other documented means.
- d) Selection of a delegate should be commensurate with the accountabilities and responsibilities of the position. Authority cannot be delegated in a manner that creates a possible conflict of interest or compromises segregation of duties. Delegation does not relieve the delegator of their position accountabilities. Delegated authority cannot be further delegated to someone else.
- e) If an approver is not present to sign a document, the approver may do so by proxy, i.e., designating a person to sign on their behalf. Written or electronic notification granting the designated person authority to sign on the approver's behalf must be provided by the approver, specifying the document for which proxy is being granted, with the notification kept on file by the approver for audit purpose. The designated person should add, after their signature, "per [approver's name]". One proxy and one delegate are permitted per document.
- f) Standard approval mechanisms are by signature or by secure electronic means (for example, e-procurement log-on if available). From time to time, it may be necessary to approve a commitment or payment by non-standard means, for example, when the approver is out of the office. Email approvals are permitted as long as a sufficient trail is available to evidence what is being approved. Verbal approvals and sharing of passwords for electronic approval is not permitted. Manual signature stamps and electronic insertion of signature images are discouraged and may only be affixed by the approver themselves.
- g) Procurement cards (P-cards) users are deemed to be pre-approved for purchases made on their cards. Purchases made and charged to p-cards must be approved by one's supervisor, in accordance with Appendix A.
- h) The CEO may amend or clarify the Signing Authority Policy within the authority principles approved by the Board. For clarity, only the Board may approve an increase to the CEO's signing authority limit.

### **Board and CEO Expenses**

- a) Board Chair and Trustee expenses are approved by the Ministry.
- b) CEO expenses are approved by the Chair.

### **Cross References**

- Code of Conduct Policy
- Conflict of Interest Policy
- Purchasing Management Policy
- Ontario Public Service Procurement Directive and Interim Measures
- Ontario Travel, Meal and Hospitality Expenses Directive

### **Glossary of Terms**

CEO	Director and Chief Executive Officer
CFO	Deputy Director and Chief Financial Officer
COO	Deputy Director and Chief Operating Officer
Vice President	Senior Vice President or Vice President
Manager	Any Manager including Project Managers
PO	Purchase Order
P-Card	Credit card used to purchase goods and services including travel

### **Appendix A: Signing Authority Matrix**

<b>Date</b>	June 16, 2020
<b>Amended</b>	October 14, 2020 ( <i>administrative changes</i> ) June 15, 2021 ( <i>administrative changes</i> ) February 9, 2023 ( <i>invoice authority &amp; administrative changes</i> ) March 28, 2023 ( <i>invoice authority and administrative changes</i> ) October 17, 2023 ( <i>administrative changes</i> )

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### **MONITORING**

#### **Adherence to Policy**

*Board:* The Finance & Audit Committee will periodically review management's adherence to the policy.

*Management:* The Director & CEO and the Deputy Director & Chief Financial Officer will ensure that the Finance & Audit Committee has all the relevant information for determining adherence.

#### **Policy Review**

<i>Method</i>	Internal Report
<i>Responsibility</i>	Finance & Audit Committee
<i>Minimum Frequency</i>	Every three years

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## Appendix A – Signing Authority Matrix

**Contracts and other external documents must not be signed unless all relevant purchasing and other policies have been complied with.**

Minimum Approvals Required					
Excluding Taxes	Up to \$50,000	> \$50,000 ≤ \$121,200	> \$121,200 ≤ \$600,000	> \$600,000 ≤ \$1,200,000 *	> \$1,200,000
	<b>One approval required:</b> Any one of the following:	<b>Two approvals required:</b> Any one of the following (✓) plus CEO, COO, CFO or VP Finance	<b>Two approvals required:</b> Any one of the following (✓) plus CEO, COO, CFO or VP Finance	<b>Three approvals required:</b> Any three of Chair, CEO, COO or CFO	<b>Board approval required:</b> Three approvals required: Board, CEO & CFO (or as otherwise directed by the Board)
Board of Trustees					✓
CEO/COO/CFO	≤ \$50,000	✓	✓	✓	✓
Deputy Director/Chief	≤ \$50,000	✓	✓ (invoices only)		
Vice President	≤ \$50,000	✓ (invoices only)			
AVP/Head	≤ \$15,000				
Manager	≤ \$10,000				

**NOTE:**

1. The Signing Authority Matrix applies to all commitments and related internal and external documents.
2. For single or sole source commitments, the required authority level increases by one level.
3. Purchase order extensions (value increases) must be approved based on the revised total value. Exception: The exercise of a contract extension option (e.g., option year) and associated purchase order may be approved based on just the extension value, not the total contract value.
4. \* - Those indicated may approve (1) single-year commitments of up to \$1,200,000 and (2) multi-year commitments of up to \$600,000 per contract year (including up to \$1,200,000 during the first year), up to a total commitment value of \$1,000,000 including option years.
5. A delegate is someone authorized in writing by an approver to act in their absence. Such authorization must be given for specific periods of time ordinarily not to exceed 21 days. If multiple approvers are required for a commitment, up to one delegate is permitted.
6. The CEO may amend this signing matrix except with respect to the CEO authority limit.