

Complete Policy Title

**Approval and Signing Authority Policy**

Policy Number (if applicable):

Approved by

**Board of Governors**

Date of Most Recent Approval

**June 9, 2022**

Date of Original Approval(s)

**June 9, 2022**

Supersedes/Amends Policy dated

By-laws of the Board of Governors - Appendix E:  
*Resolution Respecting the Execution of  
Instruments by McMaster University, November  
23, 2021*

Responsible Executive

**President**

Policy Specific Enquiries

[University Secretariat](#)

General Policy Enquiries

[Policy \(University Secretariat\)](#)

**DISCLAIMER:**

*If there is a discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails.*

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## SECTION I: INTRODUCTION

1. As outlined in the McMaster University Act, the Board of Governors is responsible for the governance, conduct, management, and control of the University and its property, revenue, and business affairs. In order to execute its responsibilities, the Board has authorized officers of the University to sign deeds, transfers, contracts, and obligations on behalf of the University.

### PURPOSE AND SCOPE

2. The purpose of this Policy is to:
  - a) identify the approval authority and the approval thresholds for all funds, including capital funds, research funds, and research expenditures, and
  - b) designate the execution signatories who are authorized to sign deeds, transfers, assignments, contracts, obligations, agreements, or documents on behalf of the University after such documents have been appropriately approved. These include all documents related to the University receiving money, to the purchase or lease of goods and services, and to agreements having no financial commitment.
3. This Policy shall not apply to the signing on behalf of the University of the certificates and other academic documents arising from the actions of the Senate in accordance with the McMaster University Act, Section 13.

## TERMS AND DEFINITIONS

4. For the purpose of interpreting this document:
  - a) words in the singular may include the plural and words in the plural may include the singular;
  - b) **Approval Authority** means the body or individual within the University's governance or management structure with the responsibility to commit the University to the relationship;
  - c) **Account Holder** means the employee who has the highest level of decision-making authority for a budget unit in a Faculty, department or other operating unit;
  - d) **Execution Signatory** means the individual(s) assigned the responsibility of executing formal documents, forms and instruments that bind the University contractually;
  - e) **VPOF** means the Vice-President (Operations and Finance);
  - f) **Provost** means the Provost and Vice-President (Academic)
  - g) **CTO** means the Assistant Vice-President and Chief Technology Officer;
  - h) **Board Secretary** means the University Secretary;
  - i) **AVP (Admin) & CFO** means Assistant Vice-President (Administration) and Chief Financial Officer;
  - j) **Dean and VP, FHS** means the Dean and Vice-President, Faculty of Health Sciences;
  - k) **Area AVP** means Area Assistant/Associate Vice-President.

## SECTION II: RESPONSIBILITIES AND CONFLICT OF INTEREST

5. The Execution Signatories have the responsibility to exercise their authority in the manner of a prudent University administrator.
6. All purchases of goods and services and leases must be executed using the duly authorized processes developed and supported by the Department of [Strategic Procurement](#).
7. All contracts must comply with the policies of the University and of external bodies, as applicable (see [Appendix A: Related Policies and Legislation](#)). For example, depending upon the nature and complexity of the agreement to be signed, the responsibility of the [Execution Signatory](#) shall include an assessment of some or all of the following:
  - a) the ability of the University to meet any financial obligations resulting from the agreement;
  - b) the ability of the other party(ies) to meet its (their) obligations;
  - c) compliance with labour legislation, employee collective agreements, sponsor guidelines, tax legislation, other legislative and regulatory requirements, and applicable University policies;
  - d) whether all approvals required by any applicable policy or practice have been obtained for the contract;
  - e) whether terms and conditions of the contract should be reviewed by Strategic Procurement;
  - f) in consultation with the Vice-President Operations and Finance (the "VPOF"), an assessment of whether legal or other expert advice is needed;
  - g) the financial and other benefits that are expected to flow to the University as a result of the contract;
  - h) whether the overhead rate, if any, included in the contract is consistent with University guidelines; and/or
  - i) the provisions regarding intellectual property requirements, physical, bodily injury and personal injury indemnities, and environmental liabilities.
8. Execution Signatories shall not exercise their signing authority in circumstances where conflicts of interest exist or could be seen to exist; in addition, individuals shall inform their immediate supervisor when such circumstances exist to enable alternative execution arrangements to be made.
9. One original copy of all signed and executed contracts must be deposited or stored electronically with the [VPOF](#) or be maintained in a location approved by the VPOF. The VPOF must ensure an appropriate repository for executed instruments exists, this may be in either paper or electronic form.
10. That register is to include:

- a) a list of contractual documents signed by the appropriate individuals and the corresponding execution date;
- b) the name of any other party or parties signing the documents and their respective execution dates;
- c) a brief description of the subject matter contained in the documents; and
- d) the effective start and termination date and the actual or estimated amount of each contractual obligation.

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### SECTION III: SIGNING AUTHORITY

11. Determination of the appropriate [Approval Authority](#) and [Execution Signatory](#) is based on the subject matter of the contract/agreement and the dollar amount of such contract/agreement, and whether or not the University is receiving or paying out money under the contract/agreement (see the [Authority Matrices](#)).
12. Signing authority for contracts and agreements above \$100,000 must be executed by a minimum of two approvers, one of whom must be an AVP, Dean or VP. In all cases the two signatures must be different individuals. The exception is for agreements in charts A.3. and A.5. which require only one signature.
13. No contract over \$10,000 for the purchase of goods or services may be released until approved through the University's electronic system using the charts in the Authority Matrices.
14. For agreements that span a period of greater than one (1) year, dollar amounts, including annual maintenance fees, should be aggregated across all years and should not be broken down into per annum amounts when assessing the proper authorisation required. For subsequent agreements extending or renewing a duly signed agreement, required signatures will be as per the incremental funds or costs unless a new total threshold is passed, in which case the signatures should be per the aggregate total.
15. All dollar amounts cited in this document are exclusive of duties, taxes and shipping charges.
16. Where a purchase represents a renewal, the thresholds apply to the total cost of the previous term(s) and the new term.
17. An individual, designated in the authority matrices as the Approval Authority or Execution Signatory, may from time to time temporarily delegate their authority to execute a document where there is reason to do so. The individual delegating the responsibility remains accountable.

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## SECTION IV: AUTHORITY MATRICES

18. The Authority Matrices outline the financial thresholds and approvals required to undertake projects and make commitments on behalf of McMaster University.

### **A.1. All Funds: excluding the Research Fund (see A.2) and Capital Fund (see A.4)**

19. When applying the A1 matrix, the following information applies:
- a) AVP signing officers include:
    - Assistant Vice-Presidents
    - Associate Vice-Presidents
    - Vice-Provosts
    - Registrar
    - University Librarian
    - Treasurer
    - Director of Faculty Administration
    - Director of Research Finance Administration
    - Vice-Dean, Education, Faculty of Health Sciences, and
    - Controller.
  - b) all Investments must be executed by the Treasurer, using the duly authorized processes of the appropriate committees of the Board of Governors.

<b>A.1. All Funds: excluding the Research Fund (see A.2) and Capital Fund (see A.4)</b>			
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>	<b>Process of Implementation or Document Used</b>
\$10M and above	<ul style="list-style-type: none"> <li>Board of Governors</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li><a href="#">VPOF</a></li> <li>Provost</li> <li>President</li> <li><a href="#">Board Secretary</a></li> <li>Board Chair</li> </ul> <p><b>And:</b> Project Holder (Account Holder)</p> <p><b>And, if technology:</b> <a href="#">CTO</a></p>	
\$2M up to \$9,999,999	<ul style="list-style-type: none"> <li>Planning and Resources Committee</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li><a href="#">AVP (Admin) &amp; CFO</a></li> <li><a href="#">VPOF</a></li> <li>Provost</li> <li>President</li> </ul> <p><b>And:</b> Project Holder (Account Holder)</p> <p><b>And, if technology:</b> <a href="#">CTO</a></p>	
\$100,000 up to \$1,999,999	<ul style="list-style-type: none"> <li>AVP</li> <li>Dean, or</li> <li>VP</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li>Area AVP</li> <li>Dean</li> <li>VP</li> </ul> <p><b>And:</b> Project Holder (Account Holder)</p> <p><b>And, if technology:</b> <a href="#">CTO</a></p>	
Under \$100,000	<ul style="list-style-type: none"> <li>Project Holder (Account Holder)</li> </ul>	<ul style="list-style-type: none"> <li>Project Holder (Account Holder)</li> </ul>	

**A.2. Research Fund Expenditures**

20. When applying the A.2. matrix, the following information applies:
- a) AVP signing officers include
    - Associate Vice-President (Research)
    - Assistant Vice-President, Research Administration
    - Vice-Dean Research Health Sciences
    - Director of Research Finance and Administration
    - Assistant Vice-President & Chief Administrative Officer (Faculty of Health Sciences)
    - Executive Director Finance FHS
    - Director Research Finance FHS, and
    - Assistant Vice-President (Administration) and Chief Financial Officer
  - b) all Investments must be executed by the Treasurer, using the duly authorized processes of the appropriate committees of the Board of Governors.

<b>A.2. Research Fund Expenditures</b>			
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>	<b>Process of Implementation or Document Used</b>
\$10 Million and above	<ul style="list-style-type: none"> <li>Board of Governors</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li><a href="#">VPOF</a></li> <li>VP Research</li> <li>VP and Dean, FHS,</li> <li>Provost</li> <li>President</li> <li>Board Secretary</li> <li>Board Chair</li> </ul> <p><b>And:</b> Research Finance Office (Central or FHS)</p> <p><b>And:</b> Project Holder (Account Holder)</p> <p><b>And, if technology:</b> <a href="#">CTO</a></p>	<p>All agreements or documents with 3rd parties must be reviewed by the appropriate office according to the type of expenditure. This could include Strategic Procurement, the Office of Legal Services, the Research Finance Offices or MILO</p> <p>All research expenditures must follow the appropriate Research Finance Office approval process (Central or FHS)</p> <p>Expenditures for IT infrastructure and IT security must follow consultation and review by the CTO.</p> <p><u>Types of Documents:</u></p> <ul style="list-style-type: none"> <li>Equipment orders</li> <li>Service Agreements excluding research service agreements under Matrix A.3</li> </ul>
\$2 Million up to \$9,999,999	<ul style="list-style-type: none"> <li>Planning and Resources Committee</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li><a href="#">AVP (Admin) &amp; CFO</a></li> <li><a href="#">VPOF</a></li> <li>Provost</li> <li>President</li> </ul> <p><b>And:</b> Research Finance Office (Central or FHS)</p> <p><b>And:</b> Project Holder (Account Holder)</p> <p><b>And, if technology:</b> <a href="#">CTO</a></p>	
\$100,000	<ul style="list-style-type: none"> <li>AVP</li> </ul>	<p><b>One of:</b></p>	

<b>A.2. Research Fund Expenditures</b>			
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>	<b>Process of Implementation or Document Used</b>
up to \$1,999,999	<ul style="list-style-type: none"> <li>• Dean, or</li> <li>• VP</li> </ul>	<ul style="list-style-type: none"> <li>• AVP</li> <li>• VP</li> </ul> <p><b>And:</b> Research Finance Office (Central or FHS)</p> <p><b>And:</b> Project Holder (Account Holder)</p> <p><b>And, if technology:</b> <a href="#">CTO</a></p>	<p>All agreements or documents with 3rd parties must be reviewed by the appropriate office according to the type of expenditure. This could include Strategic Procurement, the Office of Legal Services, the Research Finance Offices or MILO</p>
Under \$100,000	<ul style="list-style-type: none"> <li>• Project Holder (Account Holder) and Research Finance office</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li>• Research Finance Office (Central)</li> <li>• Research Finance Office (FHS)</li> </ul> <p><b>And:</b> Project Holder (Account Holder)</p>	<p>All research expenditures must follow the appropriate Research Finance Office approval process (Central or FHS)</p> <p>Expenditures for IT infrastructure and IT security must follow consultation and review by the CTO.</p> <p><u>Types of Documents:</u></p> <ul style="list-style-type: none"> <li>• Equipment orders</li> <li>• Service Agreements excluding research service agreements under Matrix A.3</li> </ul>

### **A.3. Research And Intellectual Property**

21. When applying the A.3. matrix, the following information applies:
  - a) AVP signing officers include:
    - Executive Director McMaster Industry Liaison Office
    - Associate Vice- President (Research)
    - Vice-Dean Research Health Sciences
    - Director Health Research Services FHS
    - Director, Research Office for Administration, Development and Support, and
    - Assistant Vice-President, Research Administration.
22. For all agreements, involving research and intellectual property, or resulting from a peer or merit review process, where the:
  - a) University is receiving money;
  - b) University is transferring funds to a collaborating partner institution; or
  - c) agreement does not deal with the payment by either party of money.
23. Review of documents and signatures normally obtained by ROADS, Health Research Services or MILO
24. Typical documents include:
  - a) documents for research funds coming to McMaster:
    - contribution or Funding Agreement from funding agency or contract
    - Inter-Institutional Agreement (IIA) or sub-grants with other institutions or companies for transfer in
    - research contracts, research service or research collaboration agreements
    - clinical trial agreements
    - transfer agreements (hospital)
    - license agreements, transfer or assignment of intellectual property (IP)

- confidentiality, material transfer, data transfer (with funding)
  - memorandum of understanding (MOU), letter of intent (with funding)
  - consulting agreements (McMaster is consultant)
  - hospital cost recovery - funding agreements
  - amendments or renewals of any of the above
- b) documents for research expenditures by McMaster related to research funding:
- inter-institutional agreement (IIA), sub-grants with other institutions or companies for transfer out
  - transfer agreements or cost recovery (hospital)
  - service agreements or purchase orders for payment to 3rd parties
  - transfer agreements
  - hospital cost recovery - commitment agreements
  - subrecipient commitment agreements
- c) documents related to research agreements or activities, but which do not involve payment by either party:
- statement of intent, memorandum of understanding (MOU), letter of intent
  - due diligence forms
  - confidentiality, material transfer, data transfer, inter-institutional agreements
  - declarations for anti-bribery
  - assignment of intellectual property

<b>A.3. Research And Intellectual Property</b>			
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>	<b>Process of Implementation or Document Used</b>
\$2,000,000 and over	<b>One of:</b> <ul style="list-style-type: none"> <li>• VP Research, or</li> <li>• Dean and VP FHS</li> </ul>	<b>Two of:</b> <ul style="list-style-type: none"> <li>• VP Research,</li> <li>• Dean and VP, FHS</li> <li>• Provost</li> <li>• President,</li> <li>• University Secretary</li> </ul>	<p>All agreements or documents with 3rd parties must be reviewed by one of the Research Office (ROADS, MILO, HRS) in consultation with OLS or Purchasing, as applicable</p>
Under \$1,999,999	<ul style="list-style-type: none"> <li>• AVP, or</li> <li>• VP</li> </ul>	<b>One of:</b> <ul style="list-style-type: none"> <li>• AVP</li> <li>• VP Research</li> <li>• Dean and VP FHS</li> <li>• Provost</li> </ul>	<p>In the case of where receipt of research funds requires the expenditure of incremental McMaster cash specific to the proposed research, approval for this incremental cash contribution will follow the charts in the Authority charts according to the source of the contribution.</p> <p>See section 25. for typical documents signed under A.3.</p>

**A 4. Capital Project Funds and Award of Contracts / Purchase Orders**

25. When applying the A4 matrix, the following information applies:
- a) emergency work may proceed, approved by [VPOF](#) or designate, and reported at the next [Planning and Resources Committee meeting or Board of Governors meeting](#) as appropriate;
  - b) Award of Purchase Orders/Contracts includes professional consultants, architects, engineers, design consultants, and construction managers;
  - c) cumulative cost overruns exceeding 20% of the original approved overall project budget require re-approval by the highest original approver;
  - d) Change Orders to existing Contracts/Purchase Orders which cumulatively do not increase the approved Overall Project Budget do not require reapproval in accordance with the thresholds above; and
  - e) if a revised project value alters to the next or higher approval authority, approval is required from the higher approving authority.

<b>A 4. Capital Project Funds and Award of Contracts / Purchase Orders</b>			
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>	<b>Process of Implementation or Document Used</b>
\$20 Million and above	<ul style="list-style-type: none"> <li>Board of Governors</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li>President</li> <li>Provost</li> <li><a href="#">VPOF</a></li> <li>Board Secretary</li> </ul> <p><b>And two of:</b></p> <ul style="list-style-type: none"> <li>AVP (Facility Services)</li> <li>AVP (Admin) &amp; CFO</li> </ul>	Purchase Requisition  Legal Contracts binding University
\$10 Million up to \$19,999,999	<ul style="list-style-type: none"> <li>Planning and Resources Committee</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li>President</li> <li>Provost</li> <li>VPOF</li> <li>Board Secretary</li> </ul> <p><b>And two of:</b></p> <ul style="list-style-type: none"> <li>AVP (Facility Services)</li> <li>AVP (Admin) &amp; CFO</li> </ul>	
\$5,000,000 up to \$9,999,999	<ul style="list-style-type: none"> <li>VPOF</li> </ul>	<p><b>Two of:</b></p> <ul style="list-style-type: none"> <li>President</li> <li>Provost</li> <li>VPOF</li> </ul> <p><b>And two of:</b></p> <ul style="list-style-type: none"> <li>AVP (Facility Services)</li> <li>AVP (Admin) &amp; CFO</li> </ul>	
\$2,000,000 up to \$4,999,999	<ul style="list-style-type: none"> <li>VPOF</li> </ul>	<p><b>Two of:</b></p> <ul style="list-style-type: none"> <li>VPOF</li> <li>AVP (Facility Services)</li> <li>AVP (Admin) &amp; CFO</li> </ul>	
\$500,000 up to \$1,999,999	<ul style="list-style-type: none"> <li>AVP (Facility Services)</li> </ul>	<p><b>One of:</b></p> <ul style="list-style-type: none"> <li>VPOF</li> <li>AVP (Facility Services)</li> </ul>	

<b>A 4. Capital Project Funds and Award of Contracts / Purchase Orders</b>			
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>	<b>Process of Implementation or Document Used</b>
		<b>And one of:</b> <ul style="list-style-type: none"> <li>• Director, Design &amp; Construction</li> <li>• Director of Finance, Facility Services</li> </ul>	Purchase Requisition Legal Contracts binding University
Under \$500,000	<ul style="list-style-type: none"> <li>• Director, Design &amp; Construction</li> </ul>	<b>Two of:</b> <ul style="list-style-type: none"> <li>• AVP (Facility Services)</li> <li>• Director, Design &amp; Construction</li> <li>• Director of Finance, Facility Services</li> </ul>	

**A5. For All Agreements where the University is Receiving Donations, Bequests or Gifts**

- 26. See also the current version of the Gift Acceptance Policy.
- 27. Acceptance of any gift that involves a proposal for naming shall be done in accordance with McMaster’s Naming Policy & Procedures.
- 28. As a general practice, for gifts in support of specific areas across the University (e.g., Faculties and units), University Advancement will consult with the respective academic leader to confirm gift acceptance in support of academic priorities, and will engage the academic leader in execution of such agreements as appropriate.

<b>A5. For All Agreements where the University is Receiving Donations, Bequests or Gifts</b>		
<b>Dollar Threshold</b>	<b>Approval Authority</b>	<b>Execution Signatory</b>
\$1 Million and above	<ul style="list-style-type: none"> <li>• President</li> </ul>	<b>BOTH:</b> <ul style="list-style-type: none"> <li>• President</li> <li>• Vice-President, University Advancement</li> </ul>
Under \$1,000,000	<ul style="list-style-type: none"> <li>• Vice-President, University Advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Vice-President, University Advancement</li> </ul>

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## SECTION V: REAL ESTATE, LEASES, AND HUMAN RESOURCES

### REAL ESTATE AND LEASES

29. Review of real estate and leasing transactions will include the assessment of tax, filing, and reporting obligations on the University.
30. All lease agreements must be reviewed by Financial Affairs.
31. All contracts for Real Estate must be reviewed by the Office of Legal Services (OLS).

### HUMAN RESOURCES – CONTRACTS AND PAYMENTS

32. Employment related contracts will follow collective agreement provisions as ratified by the Board of Governors, or defined salary policies or guidelines, such as the applicable policies governing compensation discussions for members of the McMaster University Faculty Association, and the terms of reference of the Human Resources Committee of the Board of Governors.
33. This policy does not restrict remittance to the Receiver General as required by law for Payroll. This includes remittances such as:
  - Canada Pension Plan
  - Employment Insurance premiums
  - Income Tax
  - Employer Health Tax
  - or other contributions as may be required by Federal or Provincial legislation.
34. This policy does not restrict remittance for monthly or quarterly payments to approved employee benefit and insurance providers (such as Health, Dental, Group RRSP, Group Life Insurance, Pension, Post-Retirement benefits, and liability insurance plans) for delivery of contracted services.
35. Approval of benefit, benefit administration, and insurance contracts awarded through the Request for Proposal process will follow the A1 chart in this Policy.

## APPENDIX A - RELATED POLICIES AND LEGISLATION

- [Board of Governors By-Laws](#)
- [McMaster University Act, 1976](#)
- [Construction and Maintenance Projects, Approval Authorities for](#)
- Capital Projects Policy (*in progress*)
- [Conflict of Interest Policy for Employees](#)
- [Conflict of Interest in Research, Statement on](#)
- [Ethics for Senior Executive Officers, Statement on](#)
- [Strategic Procurement \(SP-01\) Policy](#)
- [Gift Acceptance Policy](#)
- [Naming Policy & Procedures](#)
- [Internal Audit Department Policy Statement](#)
- [Intellectual Property Policy](#)