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## **POLICY RESPECTING BUSINESS OF THE UNIVERSITY, INCLUDING BANKING AND FINANCIAL TRANSACTIONS**

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*Board of Governors Manual*

*Approving Authority: Board of Governors (the "Board of Governors")*

*Established: April 12, 2018*

*Date of Last Review/Revision: June 6, 2019*

*Related Policies:*

- ✓ *Risk Management, Board Manual*
- ✓ *Expenses (Travel, Meals, and Hospitality) Policy, Institutional Manual*
- ✓ *Procurement Policy, Institutional Manual*
- ✓ *Advancement Policy, Operating Manual*

**All previous resolutions and policies with respect to the banking and certain other financial affairs of the University (as defined below), including, without limitation: (i) the Resolution of the Board of Governors respecting "Persons Authorized to Conduct Banking and Financial Business" dated the 6<sup>th</sup> day of December, 2012; and (ii) the Board of Governors' "policy on Banking and Financial transactions" referred to in Article 2 of the By-law (as defined below) are hereby repealed and replaced by this Policy.**

### **1. Policy Statement**

This Policy specifies the delegation of the Board of Governors' authority to the University's designated Signing Officers (as defined below) with respect to the business of the University as set out in each and every section of Article 2 of the By-law and as further set out below.

### **2. Scope**

No person is authorized to sign any Contract (as defined below) on behalf of the University or conduct any business on behalf of the University without being provided the authority to do so under this Policy, or as otherwise approved by resolution of the Board of Governors.

All Contracts signed under the authority provided by this Policy, or by resolution of the Board of Governors, must be in accordance with all applicable legislation, directive, University by-laws, or other policies.

### **3. Definitions**

Any capitalized terms used in this Policy but not otherwise defined herein shall have the meaning given them in the University's By-law. In the event that the definitions set out in this Policy conflict with those set out in the By-law, the definitions given in the By-law shall govern.

- 3.1. “**Act**” shall mean the *University of St. Jerome’s College Act, 1986*, SO 1986, c Pr23 as amended, restated or replaced from time to time, including, without limitation, by the *St. Jerome’s University Act, 2000*, SO 2000, c Pr17 and any other successor legislation thereto.
- 3.2. “**Approved Budget**” shall mean the most recent budget approved by the Board for the coordination of resources and expenditures of the University including, without limitation, capital and operating expenditures of the University for the current financial year of the University.
- 3.3. “**By-law**” shall mean the Bylaw of the University dated the 4<sup>th</sup> day of April, 2013.
- 3.4. “**Bank Act**” shall mean the *Bank Act* (Canada) and any amendments and successor legislation and regulations thereto.
- 3.5. “**Conflict of Interest**” has the meaning ascribed to it in Article 10 of the By-law and shall apply, *mutatis mutandis*, to all Signing Officers. For greater clarity, a Conflict of Interest arises when a Signing Officer has a personal interest which conflicts or could conflict with the Signing Officer’s obligations to act in the best interests of the University, including, without limitation, the Signing Officer’s fiduciary duty to the University, or which could unduly influence the Signing Officer’s judgment in carrying out his or her duties as a designate of the University.
- 3.6. “**Contract**” shall mean any written or oral agreement which may be binding on the University, and includes, without limitation: any and all contracts, obligations, understandings, commitments, subcontracts, letters of intent, memorandums of understanding, memorandums of agreement, leases, deeds, transfers, grants, licenses, sublicenses, purchase orders, work orders, bids, certificates, instruments, assignments, or any and all other agreements or documents which create an obligation or which may be binding on the University (monetary and non-monetary), whether express or implied, together with all amendments and other modifications thereto, and includes, without limitation, a series of related agreements or documents which, if taken together, would constitute one agreement or document. For greater certainty, Contracts shall include, without limitation, any such agreement or document pertaining or relating to the acquisition or disposition by the University of any rights to Real Property or personal property as contemplated by and in accordance with Sections 2.7 and 2.8 of Article 2 of the By-law. This Policy does not apply to Contracts pertaining to employment relationships.
- 3.7. “**Governmental Body**” shall mean any federal, provincial, state, territorial, local, municipal, foreign or other government or quasi• governmental authority or any department, agency, subdivision, court or other tribunal of any of the foregoing.
- 3.8. “**Materiality Threshold**” shall mean an amount greater than: (i) the product of multiplying the threshold of materiality as set by the auditors of the University by a factor of two (2); or (ii) six (6%) percent of the total revenue of the immediately-preceding fiscal year end of the University. On the date this policy was established, the Materiality Threshold was \$1,130,701.85.

- 3.9. “Real Property”** shall mean, for the purposes of this Policy, land, and generally whatever is erected or growing upon or affixed to land and includes, without limitation, rights issuing out of, annexed to, and exercisable within or about land.
- 3.10. “Signing Officers”** shall mean the persons holding the positions of President, Vice President Academic and Dean, Executive Director, Finance and Administration, or Director, Finance and Accounting of the University, or any other officer of the University designated from time to time as a Signing Officer by the Board of Governors.
- 3.11. “Taxes”** shall mean any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Body, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Body in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions.
- 3.12. “Total Value”** shall mean the total dollar value (including both cash and in-kind commitments) of a Contract aggregated over its term and any contractually contemplated extension of its term, excluding Taxes and other charges.
- 3.13. “University”** shall mean St. Jerome’s University, a corporation incorporated pursuant to the Act.

#### **4. Framework for Application of this Policy**

- 4.1.** This Policy, together with any related policies approved by the Board from time to time, forms a framework under which the executives and Signing Officers of the University are permitted to conduct the business of the University as contemplated under each and every section of Article 2, Section 3.9, and Section 4.11 of the By-law.
- 4.2.** By establishing the Approved Budget from time to time, the Board creates a systemic framework for the executives and Signing Officers of the University to operate within.
- 4.3.** In the absence of an Approved Budget, including, where the proposed budget of the University has not yet been approved by the Board, the executives and Signing Officers of the University are hereby permitted to make such expenditures in accordance with the Approved Budget as at the immediately-preceding fiscal year-end of the University.
- 4.4.** Notwithstanding any other section of this Policy, the Board hereby recognizes and incorporates into this Policy by reference the powers, roles, and responsibilities of the President of the University including, without limitation, those set out Section 14 of the Act and subsection 6.3(c) of the By-law.

## **5. University Banking Business**

- 5.1.** Accounts in the name of the University shall be kept at any one or more of the banks listed as a Canadian chartered national bank on Schedule 1 of the Bank Act.
- 5.2.** For all matters pertaining or relating to Sections 2.4 and 2.5 of the By-law, the University authorizes those Signing Officers described in Sections 5.3, 5.4, 5.5 and 5.6 below, subject to the restrictions set out in those Sections, to conduct the banking business of the University, including the power to:
- 5.2.1.** sign, draw, negotiate, or transfer any cheque, electronic funds transfer, promissory notes, drafts, acceptance, bills of exchange and orders for the payment of money;
  - 5.2.2.** execute any agreements with respect to the banking affairs of the University;
  - 5.2.3.** authorize any officer of the financial institution to do any act or things on the University's behalf to facilitate the banking affairs of the University; and
  - 5.2.4.** borrow funds up to an amount specified by the Board of Governors from time to time.
- 5.3.** Signing Officers are authorized to conduct the banking business of the University as noted in subsection 5.2.1 of this Policy with respect to any one transaction or series of transactions when, if taken together, constitute one transaction in amounts up to, and including, five thousand dollars (\$5,000.00). Authorization of such business may be signed by any one of the following Signing Officers: President, Vice President Academic and Dean, or Executive Director, Finance and Administration.
- 5.4.** Signing Officers are authorized to conduct the banking business of the University as noted in subsection 5.2.1 of this Policy with respect to any one transaction or series of transactions when, if taken together, constitute one transaction in amounts greater than five thousand dollars (\$5,000.00). Authorization of such business may be signed by any two of the following Signing Officers: President, Vice President Academic and Dean, Executive Director, Finance and Administration, or Director, Finance and Accounting of the University.
- 5.5.** Signing Officers are authorized to conduct the banking business of the University as noted in subsections 5.2.2, 5.2.3, and 5.2.4 of this Policy. Authorization of such business may be signed by any two of the following Signing Officers: President, Vice President Academic and Dean, Executive Director, Finance and Administration, or Director, Finance and Accounting of the University.
- 5.6.** The Signing Officers identified in Section 5.5 of this Policy are hereby authorized to advise any financial institution of the University as to any changes to the persons authorized to conduct banking pursuant to Sections 5.3, 5.4, 5.5 or 5.6 of this Policy. The signatures of any two of such Signing Officers are required to effect such change.

## **6. Contracts and Other Financial Obligations**

**6.1.** Signing Officers are authorized to engage, negotiate and commit the University with respect to Contracts, provided that:

**6.1.1.** Either: (i) the Contract is within the Approved Budget; or (ii) the Contract Total Value is less than the Materiality Threshold, and all expenditures are incurred on a cost recovery basis;

**6.1.2.** One signature of any of the President, Vice President Academic and Dean, or Executive Director, Finance and Administration is required for Contracts with a Total Value of up to one hundred thousand dollars (\$100,000.00); and

**6.1.3.** The signature of the President, together with any one of the Vice President Academic and Dean, or Executive Director, Finance and Administration shall be required for Contracts with a Total Value greater than one hundred thousand dollars (\$100,000.00). The Signing Officers shall report Contracts with a Total Value greater than one hundred thousand dollars (\$100,000.00) to the Finance Committee.

**6.2.** When the conditions of Section 6.1 are not met, approval of the Board of Governors shall be required and shall be evidenced by either:(i) a written resolution of the Board of Governors indicating such approval; or (ii) the recording of a vote of the Board of Governors in favour of such approval at a meeting of the Board of Governors duly held.

**6.3.** Where approval to negotiate and commit the University to certain Contracts is provided to the Signing Officers by the Board of Governors pursuant to Section 6.2 above, the signature of the President, together with both the Vice President Academic and Dean, and Executive Director, Finance and Administration shall be required for such Contracts.

**6.4.** When the Vice President Academic and Dean, or Executive Director, Finance and Administration (as applicable) has functional responsibility over the subject matter of a Contract, then the Vice President Academic and Dean, or Executive Director, Finance and Administration (as applicable) with functional responsibility over the subject matter of such Contract should, whenever possible, be the signatory of such Contract. In the case of a Contract signed pursuant to subsection 6.1.3 of this Policy, the Vice President Academic and Dean, or Executive Director, Finance and Administration (as applicable) with functional responsibility over the subject matter of such Contract must be the second signatory in addition to that of the President as required by subsection 6.1.3 of this Policy.

**6.5.** Prior to the appropriate Signing Officer(s) signing a Contract, such Signing Officer(s) must ensure that appropriate due diligence has been conducted and documented pertaining or relating to such Contract, as follows:

**6.5.1.** the Contract will have received financial and legal review, as applicable, from the University's financial or legal counsel, as applicable;

**6.5.2.** an assessment will have been completed to determine the risks to which the University may be exposed to as a result of such Contract; and

- 6.5.3.** the Contract shall be reviewed with the University's insurer to determine that the University maintains relevant and appropriate insurance coverage to cover any liabilities that may arise under such Contract.
- 6.6.** The Finance Committee shall report to the Board of Governors regarding all Contracts signed with an annualized Total Value greater than one hundred thousand dollars (\$100,000.00). Such reporting shall occur at the next meeting of the Board of Governors immediately following the execution of such Contract. The Finance Committee will demonstrate that appropriate due diligence has been conducted pertaining or relating to such Contracts as required by subsections 6.5.1, 6.5.2, and 6.5.3 of this Policy.
- 6.7.** The Signing Officers are hereby authorized to receive donations (including, without limitation, gifts of cash or other assets) on behalf of the University, provided such donations are received and any Contracts with respect thereto are executed in accordance with the terms of this Policy.
- 6.8.** In the event that a Signing Officer has a Conflict of Interest, as defined within this Policy, the Signing Officer shall declare such Conflict of Interest to the Board of Governors. Decisions on how best to execute the particular banking or financial transaction or Contract, as applicable, will be determined by the Board of Governors having considered the required approvals necessary to execute such banking or financial transaction or Contract, as applicable.
- 6.9.** The University's corporate seal shall, when required, be affixed to such signed Contracts, documents or other instruments.