

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 372 OF
THE EXECUTIVE COMMITTEE

Thursday, April 15, 2004

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Thursday, April 15, 2004 at 4:00 p.m. in the Boardroom, Simcoe Hall, with the following members present:

Dr. Thomas Simpson (In the Chair)

Professor Robert J. Birgeneau, President

Dr. Robert Bennett

Professor Philip H. Byer

Ms Susan Eng

Mr. Michael Foderick

Ms Françoise Ko

Ms Rose Patten

Mr. John F. (Jack) Petch

Dr. Joseph Rotman

Mrs. Susan M. Scace

Secretariat:

Ms Cristina Oke

Regrets:

Ms Karen Lewis

Professor Michael Marrus

Professor Ian McDonald

Non-Voting Member:

Mr. Louis R. Charpentier

In Attendance:

Professor W. Raymond Cummins, Chair, Academic Board and member of the Governing Council

Professor Vivek Goel, Interim Vice-President and Provost and member of the Governing Council

Ms Jacqueline Orange, Chair, Business Board and member of the Governing Council

Ms Catherine Riggall, Interim Vice-President, Business Affairs

Dr. Beata FitzPatrick, Assistant Vice-President and Director, Office of the President

On motion duly moved and seconded,

IT WAS RESOLVED

THAT, pursuant to sections 28 (e) and (f) of By-Law Number 2, consideration of agenda items 1 and 2 take place *in camera*, with the Board Chairs, Vice-Presidents, and Dr. Fitzpatrick admitted to facilitate the work of the Committee.

1. Senior Appointment

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

To the Governing Council for consideration the recommendation contained in the memorandum from Vice-President, Research and Associate Provost dated March 29, 2004.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

That, pursuant to Section 38 and 40 of By-Law Number 2, the recommendation be considered by the Governing Council *in camera*.

2. Approval of Naming

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT the Academic Learning Centre at UTM be named the Hazel McCallion Academic Learning Centre at the University of Toronto at Mississauga.

THE COMMITTEE RETURNED TO CLOSED SESSION.

3. Report of the Previous Meeting

Report 371 of the Executive Committee meeting held on March 12, 2004 was approved.

4. Business Arising

There were no items of business arising from the previous meeting.

5. Minutes of the Governing Council Meeting held on March 29, 2004

Members received for information the minutes of the Governing Council meeting held on March 29, 2004.

6. Business Arising from the Governing Council Meeting

There were no items of business arising from the Governing Council meeting.

7. President's Report

(a) Advisory Committee on the Search for the Vice-President and Provost

The President informed members that the Committee had met three times to date. The Committee had been able to identify a number of excellent candidates and did not feel a search consultant would add value to the proceedings at this point. The President indicated that it was possible that the search would conclude by early June.

(b) Advisory Committee on the Search for the Vice-President, Business Affairs

The President informed members that the consultant firm of Spencer Stuart had been engaged to assist in this search. The consulting team would consist of three people, including a search consultant who headed the academic arm of Spencer Stuart in the United States. It was anticipated that this search would continue into the fall.

(c) Provincial Government Relations

The President reminded members that the provincial government had confirmed the tuition freeze on all publicly-funded programs, both regulated and deregulated. Replacement funding was being provided in amounts equivalent to a 1.4% increase in fees for regulated programs and 5.6% increase in fees for deregulated programs, calculated on the basis of actual 2003-04 enrolments. No replacement funds were being provided for the 30% of tuition fee revenue that was required to be set aside for student financial aid. For the University of Toronto, this represented a loss of \$4.5 million for student financial aid.

A member noted that, since tuition fees were not being increased, there would be an equivalent savings in the amount of student financial aid required. The member asked what the impact was on the University's student financial aid budget. Professor Goel replied that the loss would likely result in providing student financial aid in the form of loans rather than bursaries.

The President noted that the replacement funding was being provided as one-time-only funding for one year. The government had announced that a commission would be established to undertake a comprehensive post-secondary funding review this summer.

The President reported that Executive Heads of the Council of Ontario Universities (COU) had met with the Deputy Minister of Training, Colleges and Universities recently to discuss the future impact of the double cohort on graduate education enrolment. The Deputy Minister had indicated that the government understood that spaces needed to be made available in graduate and professional programs and that this would require both operating funds and capital construction funds.

(d) Varsity Update

The President indicated that discussions were continuing on possible development plans for the Varsity Stadium property. Any agreement resulting from these discussions would be subject to appropriate governance approvals.

7. President's Report (cont'd)

(e) Academic Planning

The President informed members that he had been meeting with small groups of department heads to discuss academic planning.

(f) Teaching Academy

At the request of the President, Professor Goel informed members that plans were underway to establish a Teaching Academy that would recognize distinguished teachers in the same prestigious way in which the University recognized its outstanding scholars as University Professors. The administration planned to establish the Teaching Academy this spring. The President added that the University of Toronto would be the first university in Canada to recognize formally distinguished teaching fellows.

A member commented that weak teachers did not always seek to improve their teaching skills. The President replied that, when reviewing tenure files for approval, the quality of the candidate's teaching was an important consideration. Professor Goel also emphasized that teaching evaluation was taken seriously as part of the tenure and promotion review process and that new supports, such as the Office of Teaching Advancement, had been put in place to assist faculty in developing their teaching skills.

A member expressed his support of any efforts that were made to raise teaching standards within the University. Another member commented that the proposed Teaching Academy was a positive development that should be supported by governance.

8. Policy on Approval and Execution of Contracts and Documents: Revisions

At the invitation of the Chair, Mr. Charpentier explained that this policy had originally been approved by the Governing Council in October 1972. The proposed changes reflected the decentralization and expansion of the University. The development of a revised policy had been encouraged by the Audit Committee of the Governing Council in response to concerns regarding contract risk identified in the risk-assessment profile that was considered annually by that Committee. The revised policy had been developed in consultation with the Director of Internal Audit and the Acting Chief Financial Officer, and had been reviewed by the chief administrative officers of the Faculty of Medicine, the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT) and the University of Toronto at Scarborough. It had also been presented to Principals and Deans (P&D).

A member asked whether the revised policy would place a greater administrative burden on Directors and Chairs of academic units. Mr. Charpentier replied that the University's existing purchasing policy applied to routine purchases such as the member described with respect to equipment purchases and leases.

A member asked why the revised policy had not been considered by the Business Board. Mr. Charpentier replied that the scope of this policy extended beyond the terms of reference of the Business Board and correctly fell within the jurisdiction of the Executive Committee.

8. Policy on Approval and Execution of Contracts and Documents: Revisions
(cont'd)

A member asked for clarification concerning the reference to 'recent difficulties with contractual matters' in the covering memorandum. Mr. Charpentier replied that, occasionally, when contracts were signed on behalf of the University, arrangements went wrong, and the University was liable for the contractual obligations. To address these situations, the revised policy would clarify the authority of administrators to enter contracts, and provided for appropriate review and controls to be built into the process.

On motion duly moved and seconded

YOUR COMMITTEE ENDORSED AND FORWARDED

To the Governing Council for approval

THAT the proposed revised *Policy on Approval and Execution of Contracts and Documents*, dated March 31, 2004, a copy of which is attached hereto as Appendix "A", be approved, effective October 15, 2004, replacing the policy approved by the Governing Council on June 26, 2003.

9. Item for Confirmation by the Executive Committee
(a) Faculty of Medicine: Constitution Amendments

Professor Cummins explained that the Faculty of Medicine had amended its constitution to make the Council more efficient and effective. Membership has been reduced from about 230 to 100 members. The Faculty Assembly, composed of more than 5,000 members, had been disbanded. A new way of handling issues that might arise from the teaching staff had been added to the Faculty's by-laws. The Dean had agreed to report to the Academic Board in two years on the implementation of the new constitution.

On motion duly moved and seconded,

YOUR COMMITTEE CONFIRMED THE DECISION OF THE
ACADEMIC BOARD

THAT the constitution of the Faculty of Medicine, as amended dated November 10, 2003, be approved.

10. Items for Endorsement and Forwarding to the Governing Council
(a) Long-Range Budget Framework, Guidelines and Projections,
2004-05 to 2009-10

Professor Cummins reported that the Academic Board had heard one presentation from Professor Goel on both the *Framework* and the *Budget Report for 2004-05*. Following the presentation, there had been an extensive discussion of the Budget Framework as outlined in the Board's report. Members had been interested in the international students' fees, administration costs, the effect of unexpected events on the assumptions, energy cost containment, student financial support, and the effects of the long-range budget framework on academic planning.

10. Items for Endorsement and Forwarding to the Governing Council (cont'd)
(a) Long-Range Budget Framework, Guidelines and Projections,
2004-05 to 2009-10 (cont'd)

Ms Orange reported the Business Board's concurrence with the long-range budget framework. This concurrence indicated the Business Board's view that the budget documents were financially responsible, that the assumptions underlying the budget framework were reasonable, and the level of risk involved was prudent.

The Board had received assurances from the President that the budget projections were, in his words, "realistically pessimistic," and that he expected that, on balance, any need for adjustments would be on the upside. He had reported on a number of positive developments that had followed the release of the budget documents. In particular, funding to compensate for losses arising from the tuition-fee freeze were less than the amount lost but more than the budget projection.

The Board had held a wide-ranging discussion, in which only one of the assumptions had been questioned – that concerning enrolment projections – and that question had been answered.

Mr. Petch, Vice-Chair of the Business Board, stated that members of the Board were comfortable with the deficit financing included in the *Long-Range Budget Framework*.

It was noted that there had been a lot of debate at the Business Board concerning the proposed increase in tuition fees for international students, and that members of the Governing Council should be sensitive to the fact that some international students might require financial and other assistance to complete their course of study.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

To the Governing Council, the following recommendation:

THAT the *Long-Range Budget Framework, Guidelines and Projections, 2004-05 to 2009-10*, pages 1-11 inclusive, dated March 2, 2004, be approved.

(b) Budget Report, 2004-05

Professor Cummins reported that, following the thorough discussion of the budget framework, members of the Academic Board had had less to say about the budget itself since the framework had informed the drafting of the budget. A question had been asked about the possibility of administrative staff layoffs. Professor Goel had responded that staff reductions, when necessary, were primarily made through attrition.

10. Items for Endorsement and Forwarding to the Governing Council (cont'd)

(b) Budget Report, 2004-05

Ms Orange reported the concurrence of the Business Board. Like the Academic Board, the Business Board had focused its discussion on the long-range framework, with the Budget Report being a reflection of the first year of the framework.

Ms Orange noted that a presentation on the University's financial situation had preceded the consideration of the Budget Report. In the fall, the Business Board would be receiving additional information on the current requirement that the accumulated deficit in the operating fund must be no more than 1.5% of gross operating revenue at the end of a budget cycle. This requirement dated from 1977, and the size of the University's operating budget had increased substantially since that time.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

To the Governing Council, the following recommendation:

THAT the *Budget Report, 2004-05*, dated March 16, 2004, be approved

It was agreed that, at the Governing Council meeting on April 29, there would be one brief presentation on the Framework and Budget. Members were invited to inform the Chair of areas on which the presentation should be focused.

(c) Tuition Fee Schedule for Publicly Funded Programs

Ms Orange reported that a separate presentation on tuition fees had been made at the Business Board. She noted that the proposed tuition-fee schedule adhered to the requirement of the provincial government that tuition fees for Canadian students (citizens and permanent residents) be frozen for the next two years. Fee increases were being proposed for international students. Currently, tuition fees for international students were equal to fees for Canadian students, plus the amount of grants provided by the government for Canadian students. The proposal was to increase fees for new international students – over two years – to an amount that would equal fees plus the Canadian average funding per student. The resulting international student fees would be well within the range charged by other Canadian universities and significantly lower than those charged by U.S. universities.

The Business Board had had a good debate on this matter, hearing from representatives of the Graduate Students' Union and the Graduate Students' Association at OISE/UT about the financial problems facing current international students.

Professor Farrar had advised the Board that international students were permitted to enter Canada only if they could demonstrate that they had the financial means to pay their fees and their living costs for the forthcoming year. If circumstances changed for such students, especially as they neared the end of their programs, the University made every effort to provide financial support.

10. Items for Endorsement and Forwarding to the Governing Council (cont'd)

(c) Tuition Fee Schedule for Publicly Funded Programs (cont'd)

The Board, by a wide majority, supported the proposed tuition-fee schedules for publicly funded programs. It was noted that the proposal was consistent with the University's Policy on Tuition Fees.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED
To the Governing Council, the following recommendation:

THAT the proposed tuition-fee schedules for publicly funded programs for 2004-05, copies of which are attached to Professor Goel's March 30, 2004 memorandum to the Business Board as Tables 1 and 3, be approved.

(d) Tuition Fee Schedule for Self-Funded Programs

Ms Orange informed members that these tuition fees were for programs that received no government funding, and were therefore not subject to government regulation. The proposed fee schedule adhered to University's policy that fees for these programs were required to cover at least their direct costs. In most cases, the proposed tuition fee increases were 5% or less. In those cases where increases were greater than 5%, detailed explanations had been provided.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED
To the Governing Council, the following recommendation:

THAT the proposed tuition-fee schedule for self-funded programs for 2004-05, a copy of which is attached to Professor Goel's March 30, 2004 memorandum to the Business Board as Table 1, be approved.

The Chair indicated that, at the Governing Council meeting on April 29, the tuition fee schedules would be considered before the budget framework and 2004-05 budget report. He asked members' advice on speaking requests for the Governing Council meeting. The following points were made concerning speaking requests for the April 29 meeting of the Governing Council:

- allot a specific amount of time for speakers, and fill that time on a first come, first served basis, reserving the first few slots for representative campus-wide groups;
- grant the requests received, within reason and subject to maintaining decorum;
- speakers should be as representative of students as possible;
- request speakers to raise new points, not belabor points that had already been made.

10. Items for Endorsement and Forwarding to the Governing Council (cont'd)

(d) Tuition Fee Schedule for Self-Funded Programs (cont'd)

It was agreed that a maximum of thirty minutes would be allotted for speakers on this agenda item. Speakers would be asked to limit their remarks to 3 minutes. It was noted that, to date, no students had contacted members of the administration to discuss the proposed increase in tuition fees for international students.

(e) School of Graduate Studies: Proposal for a Joint Collaborative Doctoral Program in Ancient Greek and Roman History with York University

Professor Cummins reported that the proposal for a joint doctoral program with York University would result in a very strong program that would be better than its individual parts. This proposal was an example of innovation that would be looked for in the forthcoming academic plans. Travel time for the students would be kept to a minimum. Administrative costs in the form of release time for the director of the program would alternate between the two universities and could be met within existing budgets.

It was duly moved and seconded,

THAT the following recommendation be endorsed and forwarded to the Governing Council

THAT the proposal for a Joint University of Toronto – York University Collaborative Doctoral Program in Ancient Greek and Roman History as specified in the letter and attached proposal from the School of Graduate Studies, dated January 30, 2004, be approved.

A member expressed his concern for the impact of such a joint program on the positioning of the University of Toronto as one of the world's leading teaching and research universities. In his experience, multi-university groupings in research had not always been successful. It was his view that the University of Toronto 'brand' should be preserved and protected. Professor Goel replied that such joint programs would be created only in very rare circumstances, where it would not be possible to have a world-class program without such a partnership.

A member expressed his concern at the appropriateness, at a time of budget cuts, of allocating resources to a program with a small number of faculty and students. A member asked on what basis the decision to proceed with this proposal had been made. Professor Goel replied that this proposal was for a joint program with an external institution, which was in keeping with the model of collaborative programs within the University. Although there was a small number of University of Toronto faculty involved in this program, their work was not confined to teaching only the students within this program.

A member recalled that concerns had been raised by members of the Executive Committee on previous occasions when joint programs had come forward. A member added that, with respect to the issue of 'branding' it was important to understand the principles upon which such decisions were based.

10. Items for Endorsement and Forwarding to the Governing Council (cont'd)

(e) School of Graduate Studies: Proposal for a Joint Collaborative Doctoral Program in Ancient Greek and Roman History with York University (cont'd)

It was suggested that members would find it useful to receive a position paper from the administration on joint programs with other institutions. Professor Goel agreed that such a paper might be useful, and noted that the administration had prepared a position paper on collaboration with colleges.

It was agreed that consideration of this motion would be deferred to the next meeting of the Executive Committee, at which time Professor Goel would provide further information in light of members' concerns.¹

11. Reports for Information:

The Committee received for information Report Number 127 of the Academic Board.

12. Date of Next Meeting

The Chair reminded members that the next meeting of the Executive Committee was scheduled for Monday, May 17, 2004 at 5:00 p.m.

13. Other Business

(a) Review of Calendar of Business

The Chair drew the attention of members to the Calendar of Business for the Executive Committee and for the Governing Council which had been placed on the table. He noted that, at present, there was no business scheduled to come forward to the May 31 meeting of the Governing Council.

(b) Adel S. Sedra Distinguished Graduate Award Scholar

The Chair congratulated Ms Françoise Ko on being named the Adel S. Sedra Distinguished Graduate Award Scholar by the University of Toronto Alumni Association.

The meeting adjourned at 5:50 p.m.

Secretary

Chair

April 22, 2004

¹ Secretary's Note: It was agreed after the meeting that, since the joint program did not involve a new degree, the proposal would be considered for confirmation by the Executive Committee at its next meeting.

Appendix “A”

Direct Line: (416) 978-2118
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E-mail: l.charpentier@utoronto.ca

Memorandum to: Executive Committee

From: Louis R. Charpentier

Date: April 5, 2004

Subject: Policy on Approval and Execution of Contracts and Documents:
Proposed Revision

Background

This proposal to update the *Policy on Approval and Execution of Contracts and Documents* is intended primarily to address the need, in an institution as large and complex as the tri-campus University of Toronto, for certain types of contracts to be approved and executed in the divisions and departments and to provide for the mechanisms necessary to ensure appropriate controls over contracts. Attached for your review is a copy of the proposed, revised *Policy*. I have also included a copy of the original *Policy*.

A part of the impetus for the current proposal was the University’s risk-assessment profile, prepared by the Vice-President, Business Affairs in consultation with senior administrative colleagues and presented annually to the Audit Committee. The risk-assessment profile identified contracting risk as an area requiring attention. The risk assessment stated in part that “the University engages in a wide variety of contractual negotiations and contract execution activities. Due to our decentralized nature, these activities occur throughout the faculties and divisions. Some recent difficulties with contractual matters have indicated to us that further education and standardization of these activities needs to occur.”

The *Policy* has been amended in its detail from time to time since its approval very early in the history of the Governing Council. In addition, the Council has approved a significant number of individual resolutions delegating signing authority to divisional officers, for example officers of the Faculties of Medicine, Nursing, Pharmacy and Social Work to sign student clinical experience agreements with various institutions providing sites for training University of Toronto students; to the Dean or Assistant Dean of the Faculty of Music to sign standard contracts for the rental of facilities in the Edward Johnson Building, etc. The proposed revision would delegate to the faculties and other divisions more general authority to approve and sign certain classes of contracts and to provide appropriate oversight and safeguards along with that delegation. It is proposed that the revised policy take effect on October 15, 2004, to enable time for the communication and training necessary to accompany the delegation of authority.

The proposed policy revision is the outcome of a careful review undertaken in cooperation with the Acting Chief Financial Officer and the Director of Internal Audit. An early draft was reviewed with senior administrative officers in three academic divisions, all of whom have also had experience in central administrative positions. They were Ken Burke (OISE/UT), David Keeling (Faculty of Medicine), and Kim McLean (UTSC). A revised draft was then reviewed by the President and Vice-Presidents and considered at a meeting of the Principals and Deans. The outcome of those reviews was significant improvement and is reflected in the attached document.

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Summary of Changes

The following points outline the substantial changes proposed to the current policy.

- **Preamble** Other parties to major contracts from time to time request copies of the Governing Council *Policy on Approval and Execution of Contracts and Documents* and also of the authority of the Governing Council to approve that *Policy* and therefore the signatories to bind the University. The preamble sites the *University of Toronto Act* as the basis of the authority of the Governing Council and Council's *By-Law Number 2* as the basis of the authority of Council to approve the proposed delegation of signing authority. The preamble was inserted into the draft policy for the sake of completeness to show the derivation of the authority of the Governing Council and the legitimacy of the policy.
- **Additional conditions for the approval of contracts.** The current section on approval of contracts summarized the basis for the distinction between contracts “not in the normal course of business”, where the contract or the underlying transaction must be approved by the Governing Council or one of its Boards, and “other contracts” which may be approved by senior officers. The drafting of that section has been clarified. More significantly, two substantive conditions have been added to senior officers’ authority to approve contracts. First, “only contracts that are consistent with approved policies, and that have been arrived at in accordance with sound business practices, may be approved.” Second, “officers shall bring to the attention of the appropriate Board or Committee of Governing Council any contract or other agreement, prior to approval and execution, that involves a unusually high level of risk to the University or that might have a negative effect on the reputation of the University.”
- **Execution of contracts not in the normal course of business.** Among the officers currently permitted to sign contracts not requiring execution under seal are: the Chief Capital Projects Officer; the Director, Capital Projects; the Director, Utilities; the Controller; or the Director of Procurement Services. Their signing authority has been limited to “matters within their areas of responsibility,” reflecting their actual use of their authority and adding an appropriate limit.
- **Approval and execution of contracts in the normal course of business.** This is the new section that gives formal delegation of authority to approve and execute certain contracts in the normal course of business according to strict conditions, which provide controls to safeguard the University’s interest.
 - The delegation is limited to specific classes of contracts, albeit classes of contracts that take in most contracts that could be regarded as in the normal course of business: the purchase of goods or services, offers of employment (which, when accepted, are employment contracts), the sale of goods or services, agreements for educational placements, and research contracts. This limitation makes it clear that other contracts are not in the normal course of business and require approval and execution in the usual manner – involving senior officers and perhaps the Governing Council.
 - It is stipulated that these agreements must be consistent with University policies and procedures.
 - Delegated signing authority is limited to the Principal, Dean, Vice-Dean, Associate Dean, Chair or other head of a budget unit or to their designate, given written authority.
 - Signing authority for offers of employment is specified.

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Summary of Changes (cont'd)

- For the sale of goods or services, or for the establishment of educational placements: the activity must be approved by the appropriate Vice-President or other central officer; the form of agreement must be approved by the appropriate Vice-President or other central officer acting upon legal or other advice (as deemed necessary); and a record of the approval of the activity, the form of agreement and the authorized signing officers is to be maintained centrally in the Office of the Governing Council to facilitate control and auditing.
- Signing authority for written settlements of legal claims, grievances and complaints is specified.
- Corporate seal. *By-Law Number 2* stipulates that the corporate seal shall be in the custody of the Secretary of the Governing Council or other such person as the Council may designate. The proposed policy reflects the fact that Council has not acted to designate another custodian and the seal is in the custody of the Secretary.

Action Sought:

THAT the following resolution be recommended to the Governing Council:

THAT the proposed revised *Policy on Approval and Execution of Contracts and Documents*, dated March 31, 2004, be approved, effective October 15, 2004, replacing the policy approved by the Governing Council on June 26, 2003.

Enclosures.

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University of Toronto

POLICY ON APPROVAL AND EXECUTION OF CONTRACTS AND DOCUMENTS

A. PREAMBLE

The Governing Council of the University of Toronto is a corporation continued by an Act of the Legislative Assembly of Ontario: the *University of Toronto Act, 1971*, as amended by 1978, chapter 88.

Section 3(b) of *By-law Number 2* of the Governing Council provides that:

The Council may from time to time by resolution appoint any officer or officers or any person or persons on behalf of the Council either to sign contracts, documents or instruments in writing generally or to sign specific classes of contracts, documents or instruments in writing or to sign specific contracts, documents or instruments in writing.

Pursuant to this By-law provision, the Governing Council has established this Policy on Approval and Execution of Contracts and Documents.

B. APPROVAL

Contracts not in the normal course of business will be referred to the appropriate board or committee of the Governing Council for approval on behalf of the Governing Council or for recommendation to the Governing Council for approval. Other contracts may be approved by the senior officer(s), as specified below, who are responsible for the consultations and negotiations leading to their completion.

The Governing Council has set financial limits or other conditions which establish the level of authority to give final approval to contracts and documents. It has done so by approval of the Board and Committee terms of reference, the Banking and Borrowing resolutions, and specific policy documents. A record of such limits and conditions is maintained in the Governing Council Secretariat. Only contracts that are consistent with approved policies may be approved.

Notwithstanding the delegation of authority to administrative officers to approve contracts contained in the Board and Committee terms of reference, the Banking and Borrowing resolutions or specific policy documents, the President and other administrative officers shall bring to the attention of the appropriate Board or Committee of the Governing Council any contract or other agreement, prior to approval and execution, that involves a unusually high level of risk to the University or that might have a negative effect on the reputation of the University.

C. EXECUTION OF CONTRACTS AND OTHER AGREEMENTS NOT IN THE NORMAL COURSE OF BUSINESS

- (1) Contracts and documents under seal may be signed by:
- (a) any two of the President, the Chairman of the Governing Council, the Vice-Chairman or Acting Chairman of the Governing Council, a Vice-President, an Assistant Vice-President, the Chief Financial Officer, the Deputy Provost or a Vice-Provost, the Chief Capital Projects Officer, or a member of the Governing Council specifically designated, or
 - (b) any one in (a) above, when countersigned by one of the following:

the Secretary, the Deputy Secretary or an Assistant Secretary of the Governing Council, the Director, Capital Projects, the Director, Utilities or the Controller.

Normally the Secretary, Deputy Secretary or an Assistant Secretary of the Governing Council shall sign all documents together with one signing from (a) above.

- (2) Contracts and documents not requiring signature under seal may be signed by any one of the President, a Vice-President, an Assistant Vice-President, the Chief Financial Officer, the Deputy Provost or a Vice-Provost or as specified in section D.

For matters within their areas of responsibility, contracts and documents not requiring signature under seal may be signed by any one of: the Chief Capital Projects Officer; the Director, Capital Projects; the Director, Utilities; the Controller; or the Director of Procurement Services.

D. APPROVAL AND EXECUTION OF SPECIFIC CLASSES OF CONTRACTS AND DOCUMENTS IN THE NORMAL COURSE OF BUSINESS

- (1) Specific classes of contracts and documents in the normal course of business and consistent with university policies and procedures not requiring signature under seal may also be approved and signed as follows:
- (a) Agreements in the normal course of business for the purchase of goods or services for a budget unit, using that unit's funds, and conforming to the requirements of the University's Purchasing Policy and other relevant policies, may be approved and signed by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit or by their designate given written authority to make such purchases by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit. All capital leases (i.e. those with purchase commitments) are reviewed by the Procurement Services Department, which retains executed copies of the documents.
 - (b) Offers of employment to University faculty or staff that are accepted constitute employment contracts. Offers of employment that conform to

relevant University policies and procedures may be approved and signed by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit or by their designate given written authority to authorize such offers by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit.

- (c) Agreements in the normal course of business for the sale of goods or services by a budget unit that conform to relevant University policies may be approved and signed by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit or by their designate given written authority to authorize such sales by the Principal, Dean, Vice-Dean, Associate Dean, Director, Chair or other head of the budget unit, provided: (i) that the general class of such sales has been approved by the Vice-President, Assistant Vice-President, Deputy Provost or Vice-Provost responsible for the budget unit, and (ii) that the form of the agreement has been approved by the Vice-President, Assistant Vice-President, Deputy Provost or Vice-Provost responsible for the budget unit.

The Vice-President, Assistant Vice-President, Deputy Provost or Vice-Provost responsible for the budget unit will notify the Secretary of the Governing Council, of all classes of sales approved under this clause, the general form of the agreement to be used and the position titles of the officers who have received signing authority.

- (d) Agreements in the normal course of business for educational placements for students off a University campus, pursuant to approved academic programs, may be approved and signed by the Principal, Dean, Director, Chair or other head of the academic unit, or by the program supervisor duly appointed by the Principal, Dean, Director, Chair or other head of the academic unit, provided that the form of the agreement has been approved by the Vice-President and Provost, Deputy Provost or Vice-Provost responsible for the academic unit.

The Vice-President and Provost, Deputy Provost or Vice-Provost responsible for the academic unit will notify the Secretary of the Governing Council of the types of education placements where approval has been given under this clause, the general form of the agreement to be used and the position titles of the officers who have received signing authority.

- (e) Research contracts (as defined under the Policy on Research Contracts and the Recovery of Indirect Costs of Research) conforming to relevant University policies, may be approved and signed by the President, Vice-President, Research and Associate Provost or the Assistant Vice-President, Technology Transfer or another designate of the Vice-President, Research and Associate Provost.
- (f) Written settlements of legal claims, grievances and complaints, of whatever kind, may be signed by any one of the President, a Vice-President, an Assistant Vice-President, the Chief Financial Officer, the Deputy Provost or a Vice-Provost, or someone designated by one of the foregoing, in writing.

- (2) From time to time the Governing Council or its appropriate Board may approve, pursuant to By-law number 2, Section 3(b), that individuals other than those named above be authorized to sign specific classes of contracts, documents or instruments in writing. A record of such approvals shall be maintained in the Governing Council Secretariat.

E. CORPORATE SEAL

Pursuant to By-law number 2, Section 3(a), the corporate seal is in the custody of the Secretary of the Governing Council. A record of its use is kept in the Governing Council Secretariat.

F. RECORDS

Executed copies of documents are retained in the office that has been responsible for their approval or for the recommendation to Governing Council for their approval. In addition, copies of executed documents concerning property matters or with insurance or liability implications shall be sent to the Office of the Vice-President, Business Affairs for the attention of the Director of Risk Management and Insurance.

G. NON-SUBSTANTIVE UPDATES TO THIS RESOLUTION

The President and the Secretary of the Governing Council may make non-substantive changes to this resolution to reflect: (a) changes to the titles of positions included in this resolution, (b) the deletion of positions included in this resolution and (c) the addition of positions directly comparable to those included in this resolution. Such revisions made under this provision shall be reported for information to the Executive Committee of the Governing Council at its next regular meeting.

Governing Council Secretariat
March 31, 2004

University of Toronto

POLICY ON APPROVAL AND EXECUTION OF CONTRACTS AND DOCUMENTS

APPROVAL

Major contracts not in the normal course of business will be referred to the appropriate committee for approval on behalf of the Governing Council. Other contracts may be approved by the senior officer(s) responsible for the consultations and negotiations leading to their completion. From time to time, Governing Council may set financial or other limits (e.g. in banking resolutions, committee terms of reference, or specific policy documents) which affect administrative authority to give final approval to contracts and documents. A record of such conditions shall be maintained in the Governing Council Secretariat.

EXECUTION

- (1) Contracts and documents under seal may be signed by:
 - A. any two of the President, the Chairman of the Governing Council, the Vice-Chairman or Acting Chairman of the Governing Council, a Vice-President, an Assistant Vice-President, the Chief Financial Officer, the Deputy Provost or a Vice-Provost, the Chief Capital Projects Officer, or a member of the Governing Council specifically designated
 - B. any one of the following when countersigned by one in “A” above:

the Secretary, the Deputy Secretary or an Assistant Secretary of the Governing Council, the Director, Capital Projects, the Director, Utilities or the Controller.

Normally the Secretary, Deputy Secretary or an Assistant Secretary of the Governing Council shall sign all documents together with one signing from “A” above.

- (2) Contracts and documents not requiring signature under seal may be signed by any one of the President, a Vice-President, an Assistant Vice-President, the Chief Financial Officer, the Deputy Provost or a Vice-Provost, the Chief Capital Projects Officer, the Director, Capital Projects, the Director, Utilities, the Controller, or the Director of Procurement Services.
- (3) From time to time approval may be given pursuant to By-law number 2, Section 3(b), for individuals other than those named above to sign contracts, documents or instruments in writing generally or to sign specific classes or specific instances of such. A record of such approvals shall be maintained in the Governing Council Secretariat.

CORPORATE SEAL

Pursuant to By-law number 2, Section 3(a), the corporate seal is in the custody of the Secretary of the Governing Council or such other person as Governing Council may designate. A record of its use is kept in the Governing Council Secretariat.

RECORDS

Executed copies of documents are retained in the office that has been responsible for their approval or for the recommendation to Governing Council for their approval. In addition, copies of executed documents concerning property matters or with insurance or liability implications shall be sent to the Office of the Vice-President, Business Affairs for the attention of the Director of Risk Management and Insurance. All capital leases (i.e. those with purchase commitments) are reviewed by the Procurement Services Department, which retains executed copies of the documents.

NON-SUBSTANTIVE UPDATES TO THIS RESOLUTION

The President and the Secretary of the Governing Council may make non-substantive changes to this resolution to reflect: (a) changes to the titles of positions included in this resolution, (b) the deletion of positions included in this resolution and (c) the addition of positions directly comparable to those included in this resolution. Such revisions made under this provision shall be reported for information to the Executive Committee of the Governing Council at its next regular meeting.

Governing Council Secretariat
June 2003