

Procedures

University of Victoria Indemnity Approval Procedures

Procedures:

1.0 Authority

Under Risk Management Policy #1140, the vice-president finance and operations is responsible for developing procedures to achieve good risk management, including the protection of university assets. The providing of indemnification to a third party exposes the university to financial responsibility and accordingly must be managed prudently.

2.0 Background

2.1 The purpose of these procedures is to describe the process required by the Minister of Finance of British Columbia to enable the university to provide an indemnity to another party. Under the terms of the Financial Administration Act and Regulations, the university cannot agree to any form of third party indemnity without having an effective internal approval process in place. An indemnity is a promise to another person to hold the person harmless from any third party claims or from other losses the person may suffer arising from matters covered by the indemnity.

2.2 The following procedures govern any commitment by the university to assume financial responsibility for loss, damage or expense, including legal costs, sustained by any person, natural or corporate, by way of an indemnity. The procedures apply whether or not the commitment would be covered by any contract of insurance held by the university.

2.3 The intent of these procedures is to promote consistency in the form and content of indemnities provided by the university; to determine that any indemnities agreed to by the university do not likely impose unreasonable risk upon the university; and to provide the process by which such agreements may be reviewed and approved.

3. Statement of Principle

The university recognizes that many contracts which it e

4. Procedures

4.1 The wording of the indemnification of a third party in every agreement by the university must be reviewed by an Approving Officer who must be one of:

- General Counsel;
- the Associate Vice-President Financial Planning and Operations;
- the Associate Vice-President Research Operations;
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5.4 The following guidelines shall be considered in providing an indemnity agreement:

- The indemnity should apply only in the event of loss or damage arising out of the usual activities or programs of the university or the activities of its employees, agents or contractors carrying out those programs or activities;
- The wording for the indemnity clause should be in respect of loss, damage and expense, and may include reasonable costs of any legal proceedings, arising from the activity or program to which the whole agreement relates;
- The commitment in the indemnity should be limited to every extent possible to the negligence attributable to the university, its employees, agents or contractors for whom it is responsible;
- To the extent that the actions of other parties to the agreement may give rise to any claim of loss, damage or expense against the university, the agreement should contain a reciprocal indemnity from those parties in favour of the university.
- Nothing in this Policy abrogates or alters in any way the requirements of Signing Authority Policy #1002. All contracts must be signed by the officer or officers designated pursuant to that Policy.

Assignment of typical contracts, agreements and other documents which contain any form of indemnification clause to an approving officer

Contract/Agreement/Document	Approving Officer - See contact list below
Artwork loan and transfer agreements (Maltwood)	Risk Analyst
Building acquisition and lease agreements	AVP Financial Planning and Operations
Career Services placement agreements	Risk Analyst
Childcare/summer camp, etc., agreements	Risk Analyst
Computing services contracts and agreements, including BCNet	General Counsel

assigned to other departments.	
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Government permits, fees and license agreements