

Contract Administration and Signature Authority Policy

Policy Title	Contract Administration and Signature Authority Policy
Policy Owner	Chief Financial Officer
Policy Section	Financial, Procurement, Contracting, and General Business Policies
Responsible Office	Office of Budget and Financial Planning
Contact Information	Questions about Policy content should be directed to the Office of Budget and Financial Planning
Pertinent Dates	This Policy was approved on July 24, 2020
Entities Affected	All units of the University
Who Needs to Know About This Policy	All members of the AUC community
Related Information	Annual Delegation of Authority
Abstract	This Policy provides guidance to the University community on the need for written agreements, as well as the signature authority, review processes, and recordkeeping for all executed contracts involving University resources.

I. SCOPE OF POLICY

The Contract Administration Signature Authority Policy (the “Policy”) applies to all University faculty and staff employees, students, and student organizations who enter into any type of agreement (whether previously oral or written and includes employment contracts, labor agreements, research funding agreements, or donor agreements among others) that obligates the University to provide payment, services, goods, or use of University physical or intellectual property, facilities or other resources, including University brand identification such as logos or mascots, to a third party.

Contractual agreements governed by this Policy include, but are not limited to, leases, purchase orders, design/engineering/construction contracts, employment agreements, service and consulting agreements, grants, revenue contracts, affiliation agreements (hereafter identified as “contracts”), and contracts that obligate University funds to pay for other services, such as speakers, bands, research projects, etc., including circumstances where the agreements are for the benefit of a student organization, faculty member, or academic department.

Signatory authority for all banking and other financial transactions at designated levels shall be authorized and outlined by a Board of Trustees Financial Transactions Authority resolution, which may be amended from time to time.

II. DEFINITIONS

There are no definitions applicable to this Policy.

III. POLICY STATEMENT

The University, through faculty, staff, students, and student organizations, enters into hundreds of contractual agreements each year with third parties that involve a wide array of activities, including services, consulting, maintenance, supplies, performances, facilities use, construction, research, and publications, among others. This Policy provides guidance to the University community on the need for written agreements, as well as the signature authority, review processes, and recordkeeping for all executed contractual agreements involving University resources. The Policy may be modified from time to time by

the offices of the President and/or Vice President for Finance and CFO, in consultation with the General Counsel.

Nothing in this Policy shall be deemed to override the authority granted by the Bylaws to the Board of Trustees, its established committees, and specific officers of the University.

IV. POLICY STANDARDS AND PROCEDURES

A. Board of Trustee Approval for Real Estate Transactions

The University's Articles of Incorporation and Bylaws reserve to the Board of Trustees the authority to approve in advance any contract that obligates AUC to sell any real estate that is a part of the campus, owned by the University, or will be used by the University. Any such contracts should be signed by the University's President once approved in accordance with the University By-laws.

B. Presidential Authority and Responsibility for all Other Contractual Obligations

The President, as the chief executive officer of the University, has the authority and responsibility to sign all other contracts, deeds, or leases for which funds are available in the approved budget or other approved sources up to the amount of \$250,000. The President may delegate his authority and responsibility as described below, to the noted financial or academic officer. No other officer, faculty or staff employee, student, or student organization, has the authority to bind or otherwise obligate the University without the express, specific written consent of the President or an authorized delegate.

By delegation from the President, the Chief Financial Officer has the authority and responsibility to sign all deeds, leases, and contracts arising out of the legitimate business operations of the University for which funds are available in the approved budget or other approved sources up to the amount of \$250,000. The Chief Financial Officer may further delegate this authority in writing subject to the President's annual approval of a written table of delegations to valued individual officers of the University, including other officers of VP or "cabinet" rank; with such signed approval to be appended to this policy statement and updated annually, and upon changes in named positions.

By delegation from the President, the Provost has the authority and responsibility to sign all contracts arising out of the legitimate academic operations of the University for which funds are available in the approved budget or other approved sources. The Provost may further delegate this authority in writing subject to the President's annual approval of a written table of delegations to named subordinate employees in the academic area; with such signed approval to be appended to this policy statement and updated annually upon changes in named positions.

C. Delegation of Contracting Authority

Delegations of contracting authority are prohibited, except where specifically authorized in this Policy. The delegating official retains ultimate responsibility for matters and personnel under his/her supervision. An individual who has not received a written delegation of authority to sign contracts should not sign agreements that purport to bind the University, and may be held personally responsible if s/he attempts to do so. AUC retains the authority not to recognize an agreement as binding against the University unless all signatories to the agreement have proper contract authority as of the date the contract was entered.

All delegations of contracting authority should: 1) be in writing; 2) be made to specific position titles, not named individuals; 3) indicate the scope of the delegation (i.e., a specific contract/vendor only, contracts under a certain dollar amount, etc.); 4) specify the need for advance review by the Office of General Counsel and other relevant departments for particular contracts, vendors, or other unique situations different from those generally set out in Section IV of this Policy; 5) indicate whether further written delegation is permitted; and 6) be copied and maintained in the offices of both parties, with a copy sent to the offices of General Counsel and the Controller. Unless otherwise specified, delegated

contracting authority will remain in effect until revoked in writing, with a copy sent to the offices of General Counsel and the Controller. These delegations are specified in the University's Annual Delegation of Authority which can be found on the University's Policy Website.

D. Conflict of Interest

University officials with contract authority must exercise that authority in a manner consistent with the University's Conflict of Interest Policy for Trustees, Officers, and Key Employees and the University's Conflicts of Interest and Commitment Policy for faculty and staff.

E. Importance of Written Contracts and Advance Review

1. Written Contracts

All contracts with third parties involving University resources should be in writing, regardless of prior practice or prior business relationships with the person or entity. Procurement of any services or goods on behalf of the University must be conducted in accordance with policies and procedures approved by the Procurement Office.

2. Advance Review by Relevant Department(s)

All contracts (including contract renewals and contracts memorializing prior practice or prior business relationships) should be reviewed and approved in advance by other departments that will need to provide technical support, facilities, or personnel to carry out the contract. For example, a software contract should be reviewed by Information Technology Services (ITS) to determine whether AUC can support the software.

3. Advance Review by the Office of General Counsel

All contracts (including contract renewals and contracts memorializing prior practice or prior business relationships) requiring the University to pay out more than \$10,000 or the equivalent in EGP within a single transaction or single 12-month period, and all contracts involving unique risks and liability to the University (regardless of the monetary amount of the contract) must be reviewed and approved by the Office of General Counsel before submission to the authorized official for signature. Procurement of goods and services with University resources must be reviewed and approved in accordance with procurement policies. Exceptions to this advance review requirement are purchase orders and contracts using templates previously approved by the Office of General Counsel. All contracts should be sent electronically in Microsoft Word format (not in "pdf" format) to the Office of General Counsel, with a copy to the University official authorized to sign the contract at least five (5) business days to allow for adequate time to review.

4. Standard Contract or Agreement Templates

Departments may develop a standard form contract or letter agreement for particular types of transactions, particular vendors, etc. for approval by the Office of General Counsel. The Office of General Counsel will work with departments to develop such standard forms. If approved, the department may use such form agreements without individual review by the Office of General Counsel, so long as it is used for the particular type and value level of transaction and/or vendor for which its use has been approved. The Office of General Counsel's blanket approval for such forms will expire not more than three years from the date of last previous recorded approval, or upon the contracting officers or General Counsel's awareness of material changes in circumstances such as AUC policy, or applicable laws or regulations.

F. Recordkeeping

Contracting offices must promptly provide executed original contracts, including leases and purchase orders, to the Procurement Office and/or the Controller's Office for purposes of recordkeeping, audit reporting, and execution of disbursements. The University official executing the contract is responsible for keeping a copy of the executed contract, including all attachments, and providing the original and any amended versions of the executed contract to the Office of General Counsel. Original contracts of over \$50,000 either purchasing or selling must be stored with the Office of the General Counsel. Copies should be provided to the Procurement Office and the Controller's Office.