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2.403 Expenditure, Contract and Signature Authority

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"2.403 Expenditure, Contract and Signature Authority" (2012). *2.400 Administrative Authority (Board Governance)*. 3.
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ANTIOCH UNIVERSITY

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|--|-----------------------------------|--|-------------------------|
| Type of Policy <input checked="" type="checkbox"/> University <input type="checkbox"/> Interim | | Expenditure, Contract and Signature Authority Policy Policy 2.403 | |
| Board Governance Policies | | Effective date: October 28, 2016 | |
| Policy History: | Approved by: | Resolution # | Date: |
| | Board of Governors | 10.31.09:15 | October 28, 2016 |
| Revised: | | N/A | |
| Responsible Office: | Responsible Administrator: | Contact information: | Applies to: |
| Office of University Vice Chancellor / CFO | Vice Chancellor / CFO | 937-769-1304 | All Campuses |

I. Introduction

A. Purpose

The purpose of this policy is to specify who has signatory authority to enter into legally binding agreements on behalf of Antioch University (“University”), to provide expenditure limits on signatory authority by position, and to establish the criteria for the delegation of any signatory authority.

B. Scope

This policy applies to all campuses, programs, employees and agents of the University and to all contracts as defined herein unless a specific, written exception applies.

No officer or member of the University community has the authority to sign contracts on behalf of the University, or any program, department or division of the University, in the absence of a formal written delegation of authority. Anyone associated with Antioch University who signs a contract without proper authority under this Policy may be held personally liable for the obligations under the contract and may be subject to disciplinary action up to and including termination of employment. Under no circumstances may any

individual who is not employed by the University enter into any contract on behalf of the University.

C. Notice to Third Parties

The University will only be bound by written contracts to which the University is formally a party, which have been reviewed and approved in accordance with all relevant University policies, and which have been executed by University officials who have signature authority under this Policy. Contracts entered into outside the scope of authority granted herein may be deemed by the University to be void and unenforceable.

II. Definitions

A **Contract** is any agreement between two or more parties, whether or not it is titled “contract”, which creates a legally binding obligation for the parties to do something or to refrain from doing something in exchange for something of value. Contracts may involve money (for example, an agreement to purchase goods or services) but may also involve a promise to do something with no monetary compensation (for example, an agreement to collaborate with another institution). Contracts may be entered into in a variety of ways: through a physical or electronic signature, or even by checking a box indicating agreement with terms and conditions.

Examples of Contracts include, but are not limited to: addenda or amendments to existing contracts; affiliation agreements; agreements; assignments; confidentiality agreements; construction and maintenance agreements; deeds; employment contracts; financing agreements; grants; independent contractor/consultant agreements; intellectual property agreements; leases; lecture or performance agreements; letters of intent; licenses; loans; material transfer agreements; memoranda of agreement (MOAs); memoranda of understanding (MOUs); non-disclosure agreements (NDAs); procurement agreements; promises to pay; promissory notes; purchase orders; releases; renewals; scopes of work (SOWs); separation agreements; settlement agreements; service contracts; settlement agreements; software purchases or subscriptions; sponsored research agreements; subleases; terms and conditions for all types of transactions; and waivers.

To **Execute** means to sign a Contract.

Signature Authority is the authority to approve and execute Contracts which legally bind the University pursuant to the procedures and limits established by the Board of Governors. Signature authority may be delegated to other persons pursuant to this policy.

A **Signatory** is the individual with Signature Authority who executes the Contract on behalf of the University.

III. Conditions of Signature Authority

A. The Signatory must ensure that the Contract has been negotiated in the best interest of the University.

- B. The Signatory must ensure that the Contract complies with all applicable University policies. No employee may approve or execute a Contract in violation of any University Policy regardless of the value of such Contract.
- C. Any matter which may come within the Conflict of Interest and Commitment Policy 2.105 must be disclosed to the proper authority and resolved pursuant to Policy 2.105 prior to the execution of the Contract.
- D. The Signatory must determine whether the provisions of a Contract have the potential to affect any other University entity, including but not limited to employee(s), department(s), office(s), campus(es) or function(s). If so, the Signatory must inform that entity of the existence of the Contract, and must reach agreement with that entity regarding the terms of the Contract. If unable to reach agreement, the Signatory must refer the Contract for review to the next level of supervision, along with a complete description of the issue(s).
- E. Contracts may not be segmented into multiple agreements in order to circumvent the expenditure requirements for Signatory Authority.
- F. A multi-year Contract must be considered in its entirety to determine its dollar value and applicable Signature Authority.
- G. Addenda or amendments to Contracts as well as extensions and renewals of existing Contracts require Signature Authority as if they were presenting as a new Contract.

IV. Review Procedure

A. Preliminary Review

After the terms and conditions of the Contract have been negotiated and agreed upon, a preliminary review of the Contract must be performed by the Signatory to ensure that the Contract meets the University's business needs, reflects the intentions of the parties, and complies with University policies. The Signatory is responsible for ensuring that any entity affected by the Contract has reviewed and approved the terms, and that funds for the transaction have been budgeted and are available.

B. Review by the Office of University Counsel

Following preliminary review, all Contracts must be forwarded to the Office of University Counsel for approval both as to form and legal compliance in accordance with Contract Review Policy 3.425.

V. Authority

A. Fiduciary Duty of the Board of Governors

Pursuant to the Amended and Restated Bylaws of Antioch University Board of Governors Policy 2.101, the Board of Governors maintains ultimate fiduciary responsibility for and

control of Antioch University. Pursuant to University Policy 2.101 (III)(n), the Board of Governors expressly retains all authority not specifically delegated herein.

B. Specific Contracts that Require Approval of the Board of Governors

Regardless of their value, the following types of Contracts require approval of the Board of Governors prior to their execution:

1. Collective Bargaining Agreements must be approved by the Board of Governors and then executed by the relevant Provost and either the Chancellor or Vice Chancellor for Finance.
2. Investment agreements, internal conflict waivers, and any agreements which bind the University for over five (5) years must be approved by the Board of Governors and then executed by the Chancellor or Vice Chancellor for Finance.

C. Specific Contracts That Do Not Require Approval of the Board of Governors

The following types of Contracts do not require approval of the Board of Governors prior to their execution, but do require the approvals as noted below:

3. Grants and service contracts in which Antioch University or a University entity is the grant recipient or the service provider in exchange for compensation paid to the University or the entity must be executed by the relevant Provost.
 - i. Employment contracts must be executed in accordance with Appointments and Contracts Policy 4.203, the approved budget, any salary administration policy, and other applicable Human Resource Policies.
 - ii. All legal pleadings must be executed by the Office of University Counsel. In addition, University Counsel has the authority to execute agreements retaining outside counsel for the University, to waive conflicts of interest by outside counsel, and to execute legal documents on behalf of the University, including settlement agreements in which the University has insurance coverage, regardless of the value of such contracts. In litigation in which there is no insurance coverage for the University, University Counsel has authority to enter into any settlement agreement with a face value up to fifty thousand dollars (\$50,000.00). For settlement agreements in litigation without insurance coverage with a face value of greater than fifty thousand dollars (\$50,000.00), University Counsel must get prior approval authority from the Signatory Authority as detailed in section D below prior to execution of the settlement agreement by University Counsel.

D. Expenditure Authority for All Remaining Types of Contracts

All contracts not specifically referenced in sections B and C above are subject to the following expenditure requirements for signatory authority:

1. Board of Governors

The Board of Governors must approve any Contract with a face value over one hundred thousand dollars (\$100,000.00).

2. Chancellor

The Chancellor has authority to enter into any contract with a face value up to and including one hundred thousand dollars (\$100,000.00).

3. Vice Chancellor for Finance and Other Vice Chancellors

The Vice Chancellor for Finance and all other Vice Chancellors have authority to enter into any contract with a face value up to and including fifty thousand dollars (\$50,000.00).

4. Provosts

Provosts have authority to enter into any contract with a face value up to and including twenty-five thousand dollars (\$25,000.00).

E. Table

For a graphic representation of the signatory authority described herein, see the Table at section VII below.

VI. Delegation of Authority

Under limited circumstances, University officials with Signatory Authority may delegate some or all of that authority to other University employees.

A. Process to Delegate Authority

The Chancellor, Vice Chancellors, and Vice Chancellor for Finance may delegate authority to execute contracts up to their expenditure authority or other limits of their Signature Authority as provided herein. All delegations of Signature Authority must be in writing and:

1. on the letterhead of the University official delegating the authority;
2. signed and dated by the delegating official;
3. indicate the specific types of Contract(s) the delegated University employee is permitted to sign;
4. provide the face value expenditure limit for the delegation;
5. provide the period of time for which the delegation is effective; and
6. a copy must be given to the Office of University Counsel for record-keeping purposes.

B. Process to Rescind Delegated Authority

Any delegation of authority may be rescinded upon delivery to the delegated individual of a letter signed and dated by the delegating official rescinding all or a portion of the delegated authority. Copies of all delegation rescission letters must be given to the Office of University Counsel for record-keeping purposes.

****See the next page for the Signature Authority Table****

VII. Signature Authority Table

SIGNATURE AUTHORITY TABLE

| | Board of Governors Approval Required? | Chancellor | Vice Chancellor for Finance | Other Vice Chancellors | Provost | University Counsel |
|----------------------------------|---------------------------------------|------------|-----------------------------|------------------------|---------|--------------------|
| Collective Bargaining Agreements | Yes | X* | X* | | X | |
| Investment Agreements | Yes | X | X | | | |
| Internal Conflict Waivers | Yes | X | X | | | X |
| Agreements Over Five Years | Yes | X | X | | | X |
| Grants & Service Contracts | No | | | | X | |
| Employment Agreements | No | X | | | | |
| Legal Pleadings/Doct's | No | | | | | X |
| Retention of Outside Counsel | No | | | | | X |
| Conflict Waiver for Counsel | No | | | | | X |
| Settlement Agreements | No | | | | | X |
| All Other Contracts: | | | | | | |
| Face Value over \$100,000 | X | | | | | |
| Face Value up to \$100,000 | No | X | | | | |
| Face Value up to \$50,000 | No | | X | X | | X# |
| Face Value up to \$25,000 | No | | | | X | |

X* = requires signature of one of these officials in addition to Provost

X# = for settlement agreements in litigation without insurance coverage for the University

Per Antioch University Expenditure, Contract and Signature Authority Policy 2.403.

Policy Cross References

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| Finance, Budget and Operations Principles | Policy # 3.401 |
| Conflict of Interest and Commitment Policy | Policy # 2.105 |
| Contract Review Policy | Policy # 3.425 |
| Amended and Restated Bylaws of Antioch University Board of Governors | Policy # 2.101 |
| Appointments and Contracts | Policy # 4.203 |