

Policy: Contract Approval & Signatory Authority	Policy No: II-4
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I. **POLICY:** This Policy describes the responsibilities and authority of those University entities, [Officers](#), or employees authorized to sign [Contracts](#) on behalf of John Carroll University (“the University”). No University employee has authority to sign a [Contract](#) or agreement on behalf of the University unless:

1. permitted by the University’s Code of Regulations,
2. permitted in a written delegation from the Board of Directors or the President, or
3. authorized in a delegation schedule provided for under this Policy.

Before approving or signing any agreement, all University employees are expected to ensure that the agreement is in the best interests of the University, has received the required institutional approval, and has been signed on behalf of the University by an individual authorized to do so.

II. **PURPOSE:** To specify the individuals who are authorized to approve and sign an agreement on behalf of the University, and to define the process for delegating signatory authority. This Policy also sets forth the parameters for approval of [Contracts](#) by University leadership and the review of [Contracts](#) by the Office of Legal Affairs, as appropriate.

III. **SCOPE:** All employees of John Carroll University.

IV. **DEFINITIONS:**

Contract: An agreement in which the University is one of the parties and which will legally bind the University to rights and/or obligations.

Delegate: An individual who has been delegated authority by the University Board of Directors or a University [Officer](#) to approve and sign a [Contract](#) on behalf of the University.

University Officer (hereinafter “Officer”): An Officer of the University as defined in the University’s Code of Regulations, includes the Chair of the Board of Directors, any Vice Chair of the Board of Directors, the President, any vice president (but not associate or assistant vice presidents unless so

delegated), the Corporate Secretary, the Treasurer, and any other University employee recommended by the President and approved by the Board to be an [Officer](#).

- V. **PROCEDURES**: This Policy applies to all [Contracts](#) and agreements that bind the University with an outside third party (i.e. memorandum of understanding, affiliation agreements, research agreements, purchase orders, etc.).

A. Contract Process

1. Written and Signed Contract: For the University to be bound by rights and/or obligations of an agreement, the [Contract](#) must be in writing and signed by a person authorized in this Policy.
2. Conflicts of Interest: [Officers](#) or [Delegates](#) may approve and/or sign [Contracts](#) only if they have no conflict of interest related to the subject of the [Contract](#) and they are acting in good faith and in the best interests of the University in approving and/or signing the [Contract](#).
3. Contract Requirements: Before signing, signatories should ensure that the [Contract](#) complies with University policies, represents a reasonable business deal as determined by the signatory and/or applicable [Officer](#), and that the University can meet its financial and other obligations under the [Contract](#).
4. Approval of Business/Financial Terms: The business and financial terms of all [Contracts](#) must be reviewed and approved by the appropriate University [Officer](#) or dean, or their [Delegate](#).
 - a. [Contracts](#) with an aggregate value or cost of more than \$10,000 must be approved by the Vice President of Finance & Administration or a designee of the Vice President of Finance & Administration with explicit written authorization.
5. Approval of Legal Terms: The legal terms of a [Contract](#) must be reviewed and approved by the Office of Legal Affairs, except as provided in the Legal Review and Approval, Section IV.B.
6. Signature: After a [Contract](#)'s business terms have been reviewed and approved by the department and/or appropriate [Officer](#) or [Delegate](#), and the legal terms have been reviewed and approved by the Office of Legal Affairs when appropriate, the [Contract](#) initiator and/or the Office of Legal Affairs will obtain an appropriate University signature from an authorized signatory under this Policy.
 - a. All University [Contracts](#) must be signed by a University [Officer](#), or their [Delegate](#).
 - b. All [Contracts](#) entered into on behalf of the University must be

signed using the name of the University, and not using the name of a particular department, college or school of the University.

B. Legal Review and Approval

1. Except as provided below, all the legal terms of a [Contract](#) with an aggregate value or cost equal to or greater than \$10,000 must be reviewed and approved by the Office of Legal Affairs.
2. In addition, the Office of Legal Affairs must review any [Contract](#) involving (1) an indemnification provision for either party's actions, (2) a provision requiring either the University or the other party to have insurance for claims related to the [Contract](#), or (3) when the [Contract](#) entails greater than normal financial or personal risk to the University or its students, faculty, staff or third persons.
3. [Contracts](#) with a limited stated cost or value (i.e. affiliation agreements, research agreements, waivers, etc.) may nevertheless pose risks to the University. Therefore, individuals with authority to approve or sign such [Contracts](#) are encouraged to contact the Office of Legal Affairs for legal advice or for assistance with questions.
4. Exceptions to Legal Review: The following do not require review from the Office of Legal Affairs:
 - (a) Pre-approved form [Contracts](#) reviewed by or provided by the Office of Legal Affairs, as long as the [Contract](#) language has not been materially altered except for business terms;
 - (b) [Contracts](#) that have been previously approved by the Office of Legal Affairs without material modifications;
 - (c) [Contracts](#) with an aggregate cost or value of less than \$10,000 and that do not involve one of the indemnification, insurance or risk issues cited in B.2. above;
 - (d) Routine purchasing [Contracts](#) initiated or overseen by the University Controller Office as part of their normal duties under the following circumstances:
 1. The Controller Department may issue purchase orders on behalf of the University, provided that prior to issuance of a purchase order:
 - The Controller's Office has approved a [Contract](#) with standard University terms and conditions and signed in accordance with this Policy;
 - The Controller's Office has received and approved a Purchase Requisition with standard University terms

and conditions that has been prepared and signed in accordance with University policies and procedures;
or

- The Controller's Office has received written authorization from the Vice President of Finance & Administration to conduct other routine purchasing processes without legal review.
2. The Controller's Office may [Contract](#) for the purchase of certain items without legal review up to the limits of its Delegation of Authority. Typical examples of such purchases would include:
 - Consumable supplies;
 - Routine parts purchases; and/or
 - Routine equipment purchases and related equipment maintenance [Contracts](#).
 3. The Controller's Office may authorize users to make purchases, without an underlying [Contract](#), via University purchasing card (P-Card) or an invoice to the University, up to a maximum dollar amount, when the purchase is either (1) pursuant to a [Contract](#) that has been approved via this [Contract](#) Approval and Signatory Authority Policy, or (2) as authorized and made consistent with the University Purchasing Procedures Policy, P-Card Policy, and/or the Travel Procedures Policy.
- (e) Standard gift agreements and endowment agreements generated by University Advancement/Development;
 - (f) Letters of credit, lines of credit and/or loan agreements approved by the Vice President of Finance & Administration; and
 - (g) Other [Contracts](#) that the Office of Legal Affairs determines do not require legal review and approval.

C. Authority to Approve and Sign [Contracts](#) or Transactions

To sign a [Contract](#) on behalf of the University, a University employee must have the proper authority. The authority for approving and signing [Contracts](#) is as follows:

1. Board Approval Required. The Board of Directors or the Executive Committee of the Board of Directors retains authority to approve and execute certain [Contracts](#) and transactions on behalf of the University, under the University's Code of Regulations and/or the Board of Directors Resolution Regarding Delegation and Retention of Board Authority. Among others, the following [Contracts](#), agreements or transactions require approval from the Board:

- (a) [Contracts](#) with a cost or value that equals or exceeds \$1,000,000;
 - (b) Authorization for settlement of lawsuits whose value equals or exceeds \$1,000,000;
 - (c) Purchase, sale, exchange, or transfer of complete or partial interests in real property *except* for the purchase of real property identified 1) as part of the Campus Master Plan and 2) having a cost or value of less than \$1,000,000;
 - (d) The lease or sublease of real or other property by the University as lessee, with annual or aggregate rental value that equals or exceeds \$1,000,000 and renewals of such lease or sublease;
 - (e) Purchase, sale, establishment, or dissolution of University-affiliated organizations including corporations, partnerships, or other legal entities; and/or
 - (f) Selection and retention of independent financial audit firms to conduct mandatory financial attestation or compliance audits or both, and [Contracts](#) of \$10,000 or more for non-audit consulting services with any independent financial audit firm.
2. Payments and Actions. The following payments or actions must be signed by any *one* among the President, Treasurer/ Vice President of Finance & Administration, or any vice president of the University:
- (a) checks, drafts or other orders for the payment of money (i.e. electronic funds transfers),
 - (b) actions in respect of the purchase or sale of securities, and
 - (c) actions in respect of the general administration of trust and agency depository accounts of cash or securities, whether or not such accounts are under the formal agency agreements.
3. Payment Endorsement. Checks, drafts and other orders for the payment of money made payable to the University may be endorsed by any *one* among the President, Treasurer/ Vice President of Finance & Administration, or a vice president of the University.
4. Real Property Financing. Except as provided for in Section IV.C.1(c) above with respect to real property, the procurement of loans, lines of credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds \$1,000,000, must be executed by any *two* among the President, Vice President of Finance & Administration, and/or any vice president of the University.
5. Authority to Sign All Other [Contracts](#) and Transactions.
- (a) Other than as provided above, [Officers](#) have the authority

and responsibility to negotiate and enter into [Contracts](#) and other arrangements to facilitate the strategic plan and goals of the University, its programs and activities.

- (b) The President will delegate authority to those [Officers](#) who are vice presidents, permitting them to enter into [Contracts](#) on behalf of the University. In delegating authority, the President may impose restrictions on the aggregate values/dollar amount, subject matter and term of any authority of a vice president to approve and sign [Contracts](#) on behalf of the University.
- (c) [Officers](#) normally shall approve and sign [Contracts](#) that fall within their area of authority. However, when necessary, any [Officer](#) has the authority to approve and sign [Contracts](#) on behalf of the University, as needed and consistent with the limitations in this Policy and the authority delegated to them.
- (d) The President and other [Officers](#) who are vice presidents may delegate their authority to other University employees as set out in Section IV.D, below (referred to as “the [Delegates](#)”). These [Officers](#) may impose restrictions on the value/dollar amount, subject matter and term of any authority of a [Delegate](#) to approve and sign [Contracts](#) on behalf of the University.

D. Delegation

1. Delegation of Authority. [Officers](#) with authority to execute [Contracts](#) under Section IV.C.5 above may delegate signatory authority to a [Delegate](#). [Delegates](#) must be University employees. The delegated signatory authority may be limited by value/dollar amount, subject matter and/or term. The signatory authority delegated to a [Delegate](#) may not exceed the authority granted to the [Officer](#) who is delegating authority.
2. Delegation Process.
 - (a) All delegations of signatory authority must be expressly granted in writing outlining any limitations on authority such as aggregate value/dollar amount, subject matter and/or term of the [Contract](#). A delegation letter should be used to delegate authority to sign [Contracts](#) to a [Delegate](#), other than a temporary delegation described below.
 - (b) The President’s Office will be provided with a copy of all delegations of authority.
 - (c) The Office of Legal Affairs shall compile a current list of the delegations in a Delegation Schedule, which shall be available on the Legal Affairs webpage (sites.jcu.edu/legalaffairs/).

- (d) The President or any [Officer](#) delegating authority may revoke a delegation at any time.
- (e) Delegations of authority will automatically terminate if the authorized person ceases to be employed by the University or no longer holds the position specified in the delegation.

3. Temporary Delegations

- (a) When necessary, [Officers](#) may delegate signatory authority to another University employee on a temporary, short-term basis because the [Officer](#) will be unavailable to execute [Contracts](#) for a period of time (such as related to vacation, short-term leave etc.). The [Officer](#)'s delegation of signatory authority must be granted in writing and should include any limitations on authority such as dollar amount, subject matter and/or term of the delegation of authority.

E. Retention of Contracts

1. Once a [Contract](#) has been signed, the fully executed [Contract](#) should be retained by the department or office initiating the [Contract](#).
2. If the Office of Legal Affairs has provided legal review of a [Contract](#), a copy of the fully executed [Contract](#) also should be provided to the Office of Legal Affairs by the [Contract](#) initiator.

Cross Reference

[Travel Procedures](#)