



OFFICE OF COMPLIANCE SERVICES
UVM.EDU/POLICIES

POLICY

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Title: Contract Approval and Signatory Authority

Policy Statement

Individuals have the authority to enter into negotiations, approve and/or sign contracts on behalf of the University only pursuant to (1) a resolution of the University Board of Trustees ("Board"); (2) a valid delegation of authority from the President or the Board ; (3) a purchase made in accordance with the University "[Purchase or Lease, Contract Approval, and Signatory Authority of Goods and Services](#)" policy; or (4) receipt of revenue in accordance with the University "[Revenue-Generating Contract Approval and Signatory Authority](#)" procedure.

Reason for the Policy

This Policy is intended to ensure that any commitment of University resources and all related agreements obligating the University are properly reviewed and approved. This Policy describes necessary steps in the contract review process and identifies the individuals who are authorized to commit institutional resources on behalf of the University through agreements executed in its name. It also contains protocols for the delegation of signatory authority.

Applicability of the Policy

This Policy applies to University administrators, faculty, staff and students, and to agents of the University. It governs contractual agreements relating to commercial and non-commercial transactions.

Definitions

Contract Template: Standard contract developed by the Office of the General Counsel that contains all material terms, for use by a unit for a specific reoccurring activity.

Contract term: Length of time of the commitment based on start date and end date of contract, including any automatic renewals.

Delegation of authority: A formal written statement granting broad or limited authority for specified matters.

Procedures

1. Types of Contracts.

- a. **Procurement or Lease of Goods and Services.** The requirements that apply to contracts for procurement, or lease, of goods and services are set forth in the [Purchase or Lease, Contract Approval, and Signatory Authority of Goods and Services policy](#). All University personnel are required to abide by Purchasing Services requirements and review process when requisitioning goods and services.
- b. **Sponsored Project Awards.** The requirements that apply to sponsored project awards (grants, contracts, cooperative agreements, and other related agreements, made in support of research or other sponsored projects) are set forth on Sponsored Project Administration's [Award Acceptance website](#). All University personnel are required to abide by the requirements and review process specified. The procedures outlined on Sponsored Project Administration's Award Acceptance website do not supersede the University's delegation of signatory authority protocols. Those awards must follow this Policy and the Revenue-Generating Contract Approval and Signatory Authority thresholds.
- c. **Revenue-generating contracts.** The requirements that apply to revenue generating contracts are set forth in the [Revenue-Generating Contract Approval and Signatory University Operating Procedure](#). All University personnel are required to abide by the requirements and review process specified.
- d. **All other contracts.** Responsibility for obtaining approval and securing an authorized signature of all other contracts (i.e., contracts that do not involve the procurement or lease of goods and services, sponsored project awards, or generate revenue for the University) rests with the senior-most University official responsible for the activity that is the subject of the contract ("responsible official").

The responsible official must ensure that the proposed contract is submitted to the Office of the General Counsel for review 30 days prior to execution using the University's electronic [Contract Approval and Routing Form](#). As part of the review process, General Counsel will consult, as appropriate, with applicable administrative units regarding insurance and liability provisions, legal and regulatory compliance, data security, and other implications. The Office of the General Counsel will provide feedback to the responsible official on the draft contract. The responsible official must address the feedback provided, both internally and with the contracting party (i.e., negotiate). After any identified issues have been satisfactorily resolved between the parties, the responsible official is tasked with obtaining third-party signatures and applicable department-level signatures on the contract, and delivering to the Office of the General Counsel for final execution by the appropriate senior-level signatory, as required by the University's delegation of signatory authority protocols. See the Revenue-Generating Contract Approval and Signatory Authority thresholds.

Following final execution, the responsible official is charged with delivering the fully signed contract to the third party and retaining the original contract for record keeping.

2. Required Approvals

- **Board of Trustees.** Certain matters require the approval of the Board of Trustees ("Board of Trustees" or "Board"), pursuant to the [Board Resolution Regarding Delegation and Retention of Authority](#).

If a contract requires Board of Trustees' approval, the responsible official must be the President or a Vice President and, if the latter, the Vice President must obtain the approval of the President before a contract is submitted to the Board for action. When initiating a contract that requires Board of Trustees' approval, the responsible official must allow ample time in the process to meet the Board materials' submission deadlines; information

regarding those deadlines may be obtained from the Office of the Board Coordinator [Trustees Coordinator (802) 656-7898].

- a. **Authorized Officials.** An official becomes authorized to enter into negotiations and/or approve or sign contracts on behalf of the University only pursuant to (1) a resolution of the Board; (2) a valid delegation of authority from the President or other Board-authorized official; (3) a purchase made in accordance with the University Purchase or Lease, Contract Approval, and Signatory Authority of Goods and Services policy; or (4) receipt of revenue in accordance with the University Revenue-Generating Contract Approval and Signatory Authority procedure. Any further delegations must occur pursuant to the delegation of authority protocol (see 3(e) below).

3. Additional General Principles and Rules

- a. **Conflicts of Interest.** It is the responsibility of all University officials to ensure that the University does not knowingly enter into contracts that present conflicts of interest. Responsible officials must accordingly exercise their authority in a manner consistent with [applicable conflict of interest policies](#). If a conflict arises for a responsible official, they must disclose the conflict promptly to their supervisor before entering into contract negotiations or contract review and excuse themselves from any involvement in the contract negotiations or review. In such cases, the supervisor shall assume responsibility for the contract or arrange for the appointment of a substitute responsible official. Questions regarding interpretation of University conflict of interest policies may be directed to General Counsel.
- b. **Unauthorized commitments or agreements.** Individuals who enter into commitments or agreements without the requisite authority may be personally liable for the obligations assumed under such agreements. University administrators, faculty, staff or students who enter into unauthorized agreements may also be subject to disciplinary action, up to and including dismissal.
- c. **Requirement of a Written Agreement.** Oral agreements are not authorized regardless of whether there is a monetary exchange.
- d. **Securing all Necessary Signatures.** The authority to approve the commitment of financial or other University resources may be vested in more than one University official. In such cases, all necessary officials must sign the contract.
- e. **Delegations of Authority.** All delegations of signatory authority, including sub-delegations of signatory authority, must be in writing and annually renewed (see Forms section below). Delegations must be to specified positions, not to individuals. The authority associated with an appointment may not be exercised by an individual prior or subsequent to their effective dates of employment and/or appointment. The delegation must include specification of the scope, terms and limitations of the delegation, including the contract or types of contracts the delegate is authorized to sign, the extent of monetary authority, the duration of the delegation, and whether sub-delegation of the authority is permissible. A delegating official may revoke or modify the delegation following consultation with their supervisor and General Counsel. A copy of the delegation or sub-delegation must be transmitted within two (2) business days to the University Controller with a copy to General Counsel. Delegating officials retain overall responsibility for matters or personnel under their supervision.
- f. **Use of Contract Templates.** If a unit routinely enters into contracts of like kind or subject matter, the unit may request that the Office of the General Counsel develop a Contract Template or rider for recurring use. Departments using a Contract Template are required to follow the delegation of signatory authority for departmental level execution, and shall resubmit any and all individual contracts to General Counsel:
 - if the overall dollar amount or term reaches thresholds which require additional review and approval;
 - when material changes are requested by the third party; and

- at intervals no longer than three successive years.
- g. **International Financial Transactions.** The University Treasurer, or their delegate, must be contacted to provide oversight and assistance when contract transactions involve foreign currency.
- h. **Records Maintenance.** For guidance as to the retention of contracts and related documents, see the University Records Retention Policy.
- i. **Foreign Contract Disclosure.** In compliance with the Higher Education Act of 1965 (HEA), the University must submit a foreign source gift and contract disclosure report to the Secretary of the Department of Education's Federal Student Aid (FSA) Case Management Team no later than the January 31 or July 31 following receipt of foreign source gift(s) or execution of foreign source contract(s) aggregately valued at \$250,000 or more. A foreign source includes a foreign government or any agency thereof; a legal entity created under the laws of a foreign state; an individual who is not a citizen or national of the United States or a trust territory or protectorate thereof; or an agent acting on behalf of a foreign source.

Contacts

Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
General Counsel	Office of the General Counsel (802) 656-8585

Forms/Flowcharts/Diagrams

- Office of the General Counsel [Contract Approval and Routing Form](#)
- [Sample Delegation of Authority](#)
- [Sample Sub-Delegation of Authority](#)
- Purchasing Services [Contract Review website](#)

Related Documents/Policies

- [Board of Trustee Resolution Regarding Delegation and Retention of Board Authority](#)
- [Code of Conduct and Ethical Standards](#)
- [Conflict of Interest and Conflict of Commitment Policy](#)
- [Purchase or Lease, Contract Approval, and Signatory Authority of Goods and Services](#)
- [Records Management and Retention Policy](#)
- [Revenue-Generating Contract Approval and Signatory Authority University Operating Procedure](#)
- [Sponsored Project Administration Award Acceptance Procedures](#)

Regulatory References/Citations

- None

Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

About this Policy

Responsible Official:	General Counsel	Approval Authority:	President
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