

Lawrence University

Policy and Procedures for Contract Approval and Signatory Authority

I. PURPOSE

This policy describes the general guidelines for the review, approval, and execution of all contracts for expenditure of University funds and outlines the authority for various University officers to sign contracts. The purpose of this policy is to protect the interests and manage the legal and financial risks of the University. A separate policy addresses the administration of grant applications and awards, and is available at [\[link forthcoming\]](#).

II. AUTHORITY

This policy emanates from Article VII of the Lawrence University Board of Trustees Bylaws as amended on December 1, 2014, which provides authority to certain executive officers of the University to sign contracts, and permits them to reasonably delegate such authority to others.

III. DEFINITIONS

A. **PURCHASING CONTRACT**—a written agreement that creates a legally binding obligation between the University and one or more outside parties that obligates the University to expend funds. Oral contracts are not authorized. No dollar limit or document labels are required in determining whether a document creates a contract, which for purposes of this policy, can include

- agreement to buy goods or services;
- debt instrument and related documents;
- employment agreement or letter including independent contractor agreement;
- agreement to pay honoraria of \$600 or more;
- facilities use agreement;
- lease or memorandum of understanding.

B. **SIGNATURE AUTHORITY**—the power to execute (sign) a contract and thereby legally bind the University.

C. **TERM**—the duration of the obligations of the parties under a contract, excluding any provisions that may survive its expiration or termination, like confidentiality or indemnity obligations.

D. **CONFLICT OF INTEREST**—a

IV. SIGNATURE AUTHORITY FOR PURCHASING CONTRACTS

A. DELEGATION

The Board of Trustees has authorized signatory authority to the following Executive Officers:

- 1) President of the University, for agreements of any type or amount;
- 2) Provost and Dean of the Faculty, for academically related contracts of any type or amount; and
- 3) Vice President for Finance and Administration ("VPFA") for agreements of any type or amount

The President has delegated signing authority to the following officers to procure up to \$

B. ABSENCE OF AUTHORITY

Unless the Board of Trustees, President or authorized Executive Officer delegates signature authority through this Policy, no employee is authorized to execute a contract for purchase on the University's behalf or purport to bind the University or any operating unit or department.

C. LEGAL NOTICE TO THIRD PARTIES

Except for the President and Delegates, no other officer, faculty member, employee, student, agent or representative of the University shall be considered to have apparent authority to enter into any contract. The University considers any agreement executed without actual authority void and unenforceable, and will seek such treatment under the law.

D. SANCTIONS FOR NON-COMPLIANCE

If an individual signs a contract without authority as stipulated in this policy, the individual may be held personally responsible for the amount of the contract; face legal action; and/or be subject to the full range of disciplinary actions by the University, up to and including termination of employment or enrolled student status.

V. CONTRACT SIGNATURE PROCESS

A. GUIDELINES FOR REVIEW AND NEGOTIATION

The party initiating the contract is responsible for reading the entire contract, negotiating terms and determining that:

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- 3) Limitations of Liability and Indemnification which limit the amounts Lawrence could recover and which obligate the University to reimburse a third party for its ~~legal~~ costs, and
- 4) Multi-year Term, Automatic Renewal and/or requirements of Advance Notice of Non-renewal. If unable to eliminate these provisions, exercise care in setting reminders or taking other steps to ensure that the department will make decisions about renewal within the appropriate notice window.

D. LEGAL REVIEW
Prior to signature, all