



Contract Approval and Signatory Authority

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| Responsible Office | Office of General Counsel | Effective Date | 01/14/2013 |
| Responsible Official | General Counsel | Last Revision | 07/01/2022 |

Policy Statement

This policy governs the proposal, review, approval, and retention of any contract that binds the University. No individual has the authority to enter into negotiations, approve and/or sign contracts on behalf of the University unless they have been granted the authority to do so.

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.

Applicability of the Policy

This Policy applies to all University administrators, faculty, staff, and to agents of the University. It governs contractual agreements relating to commercial and non-commercial transactions, whether the contract is written or oral, whether it is called an ‘agreement’, ‘contract’, ‘memorandum of understanding’, ‘side letter’, or anything else, and whether it is one paragraph long, or one hundred pages long.

Policy Elaboration

1. Types of Contracts.

- a. **Purchase Orders.** The requirements that apply to procurement of goods and services are set forth in the policy entitled "Purchasing Policy and Procedures". All University personnel are required to abide by the Purchasing Policy requirements and review process when requisitioning goods and services.
- b. **All other contracts.** For all other contracts, an individual becomes authorized to enter negotiations and/or approve or sign contracts on behalf of the University (“Responsible Official”) only pursuant to:

- i. a resolution of the Board of Trustees of the University; or
- ii. a valid delegation of authority from the President or other Board-authorized official. Any further delegations must occur pursuant to the delegation of authority protocol referenced below.

For purposes of this Policy, the Responsible Officials are:

University President
 University Provost
 Vancouver Campus Executive
 Senior Vice President for University Operations
 Senior Vice President for Finance & Administration
 Senior Vice President for University Advancement
 General Counsel
 Vice President for Enrollment Management
 Vice President & Chief Information Officer
 Vice President for Human Resources
 Vice President for University Communications
 Vice President for Facilities & Auxiliary Services
 Vice President for Community Affairs
 University Director of Grants & Sponsored Projects
 Dean, Henry P. Becton School of Nursing
 Dean, Maxwell Becton College of Arts & Sciences
 Dean, Silberman College of Business
 Director, School of Psychology and Counseling
 Director, Peter Sammartino School of Education
 Director, Gildart Haase School of Computer Sciences and Engineering
 Director, International School of Hospitality and Tourism Management
 Director, School of Pharmacy and Health Sciences
 Director, School of Public and Global Affairs

- c. Responsibility for obtaining approval and securing an authorized signature from a Responsible Official for all contracts rests with the senior-most University official responsible for the activity that is the subject of the contract.
- d. Students are never authorized to enter into a contract on behalf of the University.

2. Required Approvals.

- a. Certain matters require the approval of the University's Board of Trustees, pursuant to the Board Resolution Regarding Delegation and Retention of Authority.
- b. If a contract requires Board of Trustees' approval, the Responsible Official must be the President or Senior Vice President for Finance and Administration and, if the latter, they must obtain the approval of the President before a contract is submitted to the Board for action. When initiating a contract that requires Board 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 General Counsel.

3. **Required Reviews for all non-procurement related contracts.**

The Responsible Official (or Delegated Official, as discussed below) must ensure that the proposed contract:

- a. is clear and consistent;
- b. accurately reflects what each of the parties to the contract has agreed to; and
- c. is consistent with the University's mission and is in the best interests of the University.

After conducting this preliminary review, the proposed contract must follow the Fairleigh Dickinson University Contract Procedures. For planning purposes, please allow 3 weeks from the date all required approvals are received for complete review and revisions.

4. **Additional General Principles and Rules.**

- a. **Executed Contracts.** The Responsible Official shall retain one fully executed original of all executed contracts for official University files. Electronic copies of the fully executed contracts shall be delivered:
 - i. for General contracts to contractreview@fdu.edu;
 - ii. for Affiliation contracts to affiliation@fdu.edu; and
 - iii. for Employment contracts to employment@fdu.edu
- b. **Conflicts of Interest.** It is the responsibility of all University employees 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 the General Counsel.
- c. **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 or staff who enter into unauthorized agreements may also be subject to disciplinary action.
- d. **Requirement of a Written Agreement.** Oral agreements are not authorized regardless of whether there is a monetary exchange.

- e. **Delegations of Authority.** All delegations of signatory authority by a Responsible Official to another University employee (a “Delegated Official”) must be in writing and will remain in effect until they are revised or revoked by the Responsible Official (see Delegation of Authority form). 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 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, and the duration of the delegation. A Responsible Official (or other delegating official as authorized by the Delegation of Authority form) may revoke or modify the delegation following consultation with their supervisor and the General Counsel. A copy of the fully executed delegation form must be transmitted within two business days to the General Counsel. Delegating officials retain overall responsibility for matters or personnel under their supervision.

- f. **Use of Standard Form Contracts.** If a unit routinely enters into contracts of like kind or subject matter, the unit may assume responsibility for developing a standard form contract or other contract rider approved by the General Counsel. Such standard forms or riders shall be resubmitted to the General Counsel:
 - i. at intervals no longer than three successive years; or
 - ii. if there is a significant change in circumstances affecting any party to the contract.

- g. **International Financial Transactions.** The Senior Vice President for Finance and Administration must be contacted to provide oversight and assistance when contracts involve entities or activities outside of the United States and/or involve foreign currency.

- h. **Records Maintenance.** For guidance as to the retention of contracts and related documents, see the University Records and Information Management Program Policy & Procedure.

- 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 corporation or other legal entity created under the laws of a foreign country; 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. Questions about complying with this requirement should be directed to the General Counsel.