

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 of 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 label is 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, deed and other conveyance affecting interests in real property;
- lease for tools, equipment, vehicles, etc.;
- memoranda 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 circumstance in which financial, familial, and/or other considerations have the potential to compromise or bias professional judgment or objectivity.

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 academic-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 \$50,000 in products or services related to their respective areas:

- 4) Dean of the Conservatory of Music, plus Conservatory employment agreements;
- 5) Vice President for Alumni and Development;
- 6) Vice President for Student Life;
- 7) Vice President for Diversity and Inclusion;
- 8) Vice President for Enrollment and Communication;
- 9) Athletics Director;
- 10) University Counsel;
- 11) Secretary of the Board of Trustees; and
- 12) Special Assistant to the President, to sign on the President's behalf.

In addition, the VPFA has delegated signing authority to the following senior staff members:

- 13) Associate Vice President of Finance, to purchase up to \$50,000 in products/services;
- 14) University Controller, to purchase up to \$50,000 in products/services;
- 15) Director of Facilities Services, to purchase up to \$50,000 in maintenance/construction services;
- 16) Director of Information Technology Services, to purchase up to \$50,000 in IT products/services; and
- 17) Director of Human Resources, for employment or independent contractor agreements.

Other delegations to senior staff:

- 18) The VP for Student Life has delegated signing authority to the Director of the Warch Campus Center & Student Activities, to purchase up to \$10,000 in products/services;
- 19) The VP for Student Life has delegated signing authority to the Dean of Students, to purchase up to \$10,000 in products/services;
- 20) The Dean of the Conservatory of Music has delegated signing authority to the Director of the Academy of Music, to purchase up to \$10,000 in products/services;
- 21) The Dean of the Conservatory of Music has delegated signing authority to the Director of Conservatory Operations, to purchase up to \$10,000 in products/services;
- 22) The VP for Enrollment and Communication has delegated signing authority to the Associate VP for Communication, to purchase up to \$10,000 in products/services;
- 23) The VP for Alumni and Development has delegated signing authority to the Associate VP for Alumni & Constituency Engagement.

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 or lease 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 as 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 or 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:

- 1) The contract includes clear substantive content to describe the obligations of both parties;
- 2) The contract clearly and accurately reflects the current state of negotiations;
- 3) The contract meets programmatic and University strategic mission requirements;
- 4) The contract price is fair and its term is reasonable in duration;
- 5) The signer and others involved in the contract have no conflict of interest. In case of a possible conflict, work with University Counsel to ensure completion of the transaction without conflict.

B. RENEWALS AND MODIFICATIONS

Renewals, extensions, amendments and modifications to previously approved contracts should be approved and signed in the same manner as other contracts.

C. PROBLEMATIC PROVISIONS

The person initiating the contract should seek to eliminate the following provisions:

- 1) Exclusivity Clauses that bind the University to an exclusive arrangement with a vendor;
- 2) State Law for states other than Wisconsin;

- 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 purchasing contracts should be submitted to the University Counsel allowing at least two weeks for review as to legal form and sufficiency. Counsel will return the contract to the initiating party for further revision if necessary. Prior planning and assuming at least a two-week timeframe may avoid unnecessary expediting of legal review, which can place the University in a position of having to choose between thorough negotiations to fully protect its interests and losing a contracting opportunity.

E. CONTRACT MAINTENANCE

The department that generated a given contract is responsible for properly carrying out and monitoring the University's duties and obligations under the terms of the contract. Unless otherwise directed in the University's records retention schedule, the department should keep a copy of the contract for three years after the contract performance is complete or after it is otherwise terminated.