

<b>Policy:</b> Contract Approval & Signatory	<b>Policy No:</b> II-4
<b>Policy Owner(s):</b> Office of Legal Affairs	<b>Original Date:</b> 3/1/2018
<b>Last Revised Date:</b>	<b>Approved Date:</b> 3/1/2018

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,

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 Executive Vice President & Chief Financial Officer or a designee of the Executive Vice President & Chief Financial Officer 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 Purchasing Office as part of their normal duties under the following circumstances:
    1. The Purchasing Department may issue purchase orders on behalf of the University, provided that prior to issuance of a purchase order:
      - The Purchasing Department has approved a Contract with standard University terms and conditions and signed in accordance with this Policy;

- The Purchasing Department 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 Purchasing Department has received written authorization from the Executive Vice President & Chief Financial Officer to conduct other routine purchasing processes without legal review.

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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 maC / otht

