



**FAIRLEIGH
DICKINSON
UNIVERSITY**

Contract Approval and Signatory Authority

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

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 it has been granted the authority to do so pursuant to:

- (1) a resolution of the Board;
- (2) a valid delegation of authority from the President or the University Board of Trustees ("Board of Trustees"); or
- (3) a purchase made in accordance with the University's "Purchasing Policy and Procedures".

Students are never authorized to enter into a contract that binds the University.

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, 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" [[click here](#)]. All University personnel are required to abide by the Purchasing Policy requirements and review process when requisitioning goods and services.
- b. **All other contracts.** Responsibility for obtaining approval and securing an authorized signature of all other contracts rests with the senior-most University official responsible for the activity that is the subject of the contract ("Responsible Official"). For the purpose of this Policy, the Responsible Officers are:

Dean, Becton College	Dean, School of Pharmacy
Dean, Petrocelli College	Dean, Silberman College
Dean, University College	Campus Provost, College at Florham
Campus Provost, Metropolitan Campus	Campus Provost, Vancouver
University Provost	Chief Operating Officer
Vice President, Administration	Vice President, Advancement
Vice President, Enrollment	Vice President, Finance
Vice President, OIRT	Assoc VP, Human Resources

2. Required Approvals

- a. **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 Chief Operating Officer and, if the latter, she/he 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 General Counsel.

- b. **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; or
 - (2) 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 contained below.
- ### 3. Required Reviews for all non-procurement related contracts.
- The Responsible Official must ensure that, before submitting a contract for action by the Board of Trustees and/or an Authorized Official, they have conducted a preliminary review of the proposed contract; ensuring that the 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 University 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 [[click here](#)]. For planning purposes, please allow 3 weeks for complete review and approval.

4. Additional General Principles and Rules

- a. The Responsible Official shall retain one fully executed original of all executed contracts for official University files. Photocopies of the fully executed contracts shall be delivered:
 - i. for procurement related contracts to Purchasing, Risk Management and the General Counsel; and
 - ii. for non-procurement related contracts to Vice President Finance, Risk Management and the General Counsel.
- b. **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, he or she must disclose the conflict promptly to his/her supervisor before entering into contract negotiations or contract review and excuse himself/herself 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. **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.
- f. **Delegations of Authority.** All delegations of signatory authority must be in writing and annually renewed (see Delegation of Authority form) [[click here](#)]. 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 his or her 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. A delegating official may revoke or modify the delegation following consultation with his/ her supervisor and the General Counsel. A copy of the fully executed delegation form must be transmitted within two (2) business days to the University Vice President, Finance with a copy to the General Counsel. Delegating officials retain overall responsibility for matters or personnel under their supervision.
- g. **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 (1) at intervals no longer than three successive years; or

(2) if there is a significant change in circumstances affecting any party to the contract.

- h. **International Financial Transactions.** The Vice President of Finance must be contacted to provide oversight and assistance when contracts involve entities or activities outside of the United States, and/or involve foreign currency.
- i. **Records Maintenance.** For guidance as to the retention of contracts and related documents, see the University Records and Information Management Program Policy & Procedure [[click here](#)]
- j. **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.