

**Policy Title:** Approval of Agreements Contracts and Signatory Authority

**Commented [KKM1]:** This revises and renames an ETSU Board policy approved in March.

**Policy Type:** Finance/Administration **New/revised:** Revised

**Old Policy #:** 1:03:02:10, FP-40

**Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify here)

**Purpose:** The following policy ~~on approvals~~ delineates the framework and approval process for ~~contracts, procurements and agreements~~ to be entered into by the ~~university~~ University, either electronically or via paper.

**Policy:**

I. Whether the document is called a contract, an agreement, memorandum of agreement, memorandum of understanding, terms and conditions, purchase order or similar name, it is subject to the requirements of this policy. The purpose of a written contract is to embody the complete agreement in writing. All relevant terms should be included in the contract document and not left to unwritten understanding or verbal agreement. The contract document should be explicit and clearly state the rights and duties of each party and clearly identify all parties.

Any type of agreement that legally obligates the University including but not limited to the provision of payments, services, goods or use of University properties, facilities or other resources to an external party (hereinafter "contracts") must be signed by the President or designee. Only the President and those specific individuals authorized in this policy or in writing by the President, through published policies or other authorizing documents, have the authority to enter into contracts on behalf of the University. The Vice President for Business and Finance shall be responsible for the development and administration of procedures to ensure compliance with this policy.

**Commented [KKM2]:** From 1:03:02:15 added 10/2/17

Contracts which are not ETSU standard forms must be reviewed by the Office of University Counsel before being signed by an authorized University official. Contracts may be called, but are not limited to, contracts, agreements, memorandum of understanding, memorandum of agreement, purchase orders, or terms and conditions. **Individuals who execute contracts that are not authorized to do so may be personally liable for the obligation of the contract**

II. Approval by the President

A. All agreements and contracts affecting the ~~university~~ University must be approved and executed by the President or the President's designee including:

1. Employment contracts for permanent faculty, administrative staff and coaches.
2. Employment contracts for adjunct faculty
3. Memorandum of understanding/agreement with other schools regarding exchange of students and/or faculty
4. Post retirement agreements
5. Professorship appointments
6. Exceptions to credit hour and/or compensation limits for part-time faculty
7. moving expense agreements
- 4-8. Scholarships

##-III. The following agreements, contracts or procurements, in addition to being approved as set out above, shall be submitted to the Board of Trustees for approval:

- A. Agreements and contracts involving or related to the purchase or disposal of real property and capital outlay projects.
- B. Agreements involving or related to the leasing (institution as lessee or lessor) of real property for more than five (5) years or more than \$150,000 per year.
- C. The primary operating agreement between the university and its foundation.
- D. Banking, procurement card, and other financial services agreements.
- E. Renewals of the above agreements do not require approval by the Board of Trustees if no changes have been made.

##-IV. The Board of Trustees shall be regularly informed of the following agreements approved by the President:

- A. Any agreement, including purchase orders, for two hundred fifty thousand dollars (\$250,000) or more in annual revenue or expense.
- B. Any agreement between the university and any other institution, agency, organization or entity which provides for the coordinated or cooperative offering of any credit or non-credit programs or activities or in which certificate or degree requirements are met or credit is given for coursework or activities offered by another institution as stipulated in academic policies.
  - 1. Examples of such agreements include provisions for either credit or non-credit academic programs or public service activities to private or state agencies and institutions in the fulfillment of that agency's responsibility for state-wide services or governmental training, and
  - 2. Agreements which require consortia or cooperative arrangements with other institutions, agencies, or associations.
- C. Any noncompetitive contract with a potential term of more than one (1) year and a cumulative value of two hundred fifty thousand dollars (\$250,000) or more. Institutions-University shall not enter into multiple one-year contracts, involving the same vendor for the same service, to circumvent this requirement.

V. Additional Designations: The President designates to the following University officials the authority to execute contracts on behalf of the University, subject to applicable restrictions contained in the aforementioned policy:

- A. **Vice Presidents:** Employment and reappointment contracts for temporary employees. Personal, professional or consulting services contracts less than \$250,000 on behalf of their divisions.
- B. **Vice President of Administration:** Employment contracts for clerical and support staff.
- C. **Vice President Academic Affairs, Provost, and Vice President Health Affairs:** Study abroad agreements.
- D. **Vice President University Advancement:** ETSU Alumni Association agreements using non-state funds. The Vice President University Advancement is the signature authority for the East Tennessee State University Foundation.
- E. **Vice Provost for Research and Sponsored Programs:** Research and service related grants and contracts submitted through the Office of Research and Sponsored Programs and subaward agreements issued from the Office of Research and Sponsored Programs and/or received from the East Tennessee State University Research Foundation (ETSURF). The Vice President for Research and Sponsored Programs is the signature authority for ETSURF contracts.
- F. **Associate Vice President Procurement and Contract Services:** Contracts less than \$250,000 associated with approved requisitions/purchase orders, which do not require the President's approval.
- G. **Director of Athletics:** Grant-in-aid contracts for athletes, game sponsorship agreements, personal, professional or consulting services less than \$250,000 for Athletics, and athletic

**Commented [KKM3]:** Previously was VP Finance and Administration

sponsorship agreements.

H. Dean of Graduate Studies: Graduate assistant contracts.

I. Director of Residence Life: Student housing agreements (residence halls and apartments).

J. Director of Financial Aid: Student aid agreements and work-study programs.

K. Departmental Supervisors: Work study program agreements (federal work study and regular work program).

~~IV-VI.~~ Other Approvals

A. Certain agreements may be subject to additional review and/or approval processes as set out in TCA or other state policies, i.e. Fiscal Review, State Building Commission, etc.

VII. Prohibited Contracts

A. The University shall not knowingly contract for the procurement of any merchandise, equipment or material with an individual who is, or within the past six (6) months has been, a State employee.

1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid.

B. The University shall not knowingly contract with a company or corporation in which a controlling interest is held by any State employee or the employee's spouse.

C. The University shall not knowingly contract with any person in violation of Federal or State law.

VIII. Contracts Guideline

A. The University shall maintain a written Contracts Guideline, which may be in electronic format, to ensure that all contracts comply with Federal and State laws and regulations.

B. All University contracts shall comply with the Contracts Guideline.

Commented [KKM4]: From 1:03:02:15 added 10/2/17

IX. Exceptions

a. The Board of Trustees may approve exceptions to the requirements of this policy in appropriate circumstances. Requests for exceptions must be signed by the President and include sufficient justification documentation.

3/24/2017 – approved by the Board of Trustees.