



National Association of College and University Attorneys  
Presents:

**You Signed What?!**  
**Delegated Contractual Authority – Best  
Practices and Policies**

**Webinar**

**May 16, 2023**

12:00 PM – 2:00 PM Eastern  
11:00 AM – 1:00 PM Central  
10:00 AM – 12:00 PM Mountain  
9:00 AM – 11:00 AM Pacific

**Presenters:**

**Kathleen Peterson**  
Brown University

**Matthew Wallis**  
Texas Christian University

# Contents

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1. Speaker Bios, Pages 1 - 2
2. Materials, Pages 3 - 14
3. NACUA Webinar CLE Forms, Pages 15 - 17
4. PowerPoint Slides, Pages 18 - 74

## You Signed What?! Delegated Contractual Authority – Best Practices and Policies



Kathleen Peterson is Deputy General Counsel for Litigation and Employment Law at Brown University. Kate came to Brown University in May of 2019 after more than a dozen years as Vice President and Senior Counsel of Employment & Litigation at Citizens Bank. Prior to joining Citizens, Kate was a labor & employment litigator at Sullivan & Worcester LLP in Boston and Hinckley, Allen & Snyder LLP in both Boston and Providence.

As Deputy General Counsel for Litigation and Employment Law, Kate is responsible for advising the University on all labor and employment matters, as well as managing the University's broad litigation portfolio. She partners closely with division heads, human resources, compliance personnel, and key stakeholders to meaningfully provide advice and respond to and defend litigation or agency inquiries regarding employee relations functions as well as a broad range of litigation and investigations in a complex, fast-paced environment. Kate also leads employee and manager training with an eye towards compliance practices and risk mitigation and throughout her career has been a frequent speaker on a variety of labor & employment topics, ranging from wage and hour issues and ADA/FMLA concerns to the impact of social media on the workplace and related privacy implications.

Kate graduated magna cum laude with a B.A. from Providence College and earned her J.D. from Boston University School of Law and her M.P.H. from Boston University School of Public Health, while serving as the school's Health Law Fellow. During law school, Kate served as a Note Editor on BU Law School's American Journal of Law & Medicine. Kate currently serves as an adjunct professor at Providence College, where she teaches business law.



**Matthew Wallis** has spent more than 20 years working in both the public and private sectors. For the past 12 years, he has served as the Director of Contracts at Texas Christian University, where he leads a small team of three to handle more than 2500 contracts annually.

As the Director of Contracts, Matthew has held the unique position of being both a contracts director and the primary contracts attorney for the university, while personally signing 90% of the University's contracts. His expertise in contract negotiation and management has been instrumental in helping the university navigate complex legal issues and develop effective policies and procedures.

Matthew earned his law degree from Baylor University School of Law in 2000 and began his legal career as a felony prosecutor for the Johnson County District Attorney's Office in Johnson County, Texas. In 2002, Matthew joined the City of Fort Worth as an Assistant City Attorney, where he provided legal guidance to city officials and departments and litigated on a wide range of issues, including land use/development, code enforcement, public records, and employment law matters. Following his time with the City of Fort Worth, he worked as associate with the law firm of Taylor, Olson, Adkins, Sralla and Elam from 2007 to 2011, where he represented municipal and non-profit clients, including serving as City Attorney for several Texas municipalities, including Benbrook, Ovilla, and Edgecliff Village.

# Materials

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- 1.) Sample Signature Authorization and Delegation of Authority Policy (*attached*)
- 2.) Presenters' Selections of Delated Contractual Authority Policies and Information
  - a. [Stanford University Signature and Financial Approval Authority](#) and [Topic Overview: Signature Versus Financial Approval Authority](#)
  - b. [Emory University Contract Approval and Signature Authority](#)
  - c. [University of Minnesota President's Delegations of Authority](#) and [Frequently Asked Questions](#)
  - d. [University of Connecticut Delegation of Contract Approval and Signature Authority](#) and [Procedures for Approving and Signing Contracts On-Behalf of the University](#)
  - e. [Middlebury College Contracting Policy](#)
- 3.) Stephanie Carman, Tammy Hickox, Nina Lavoie, and Renee Richard, "[The Benefit of Your Bargain: Drafting and Negotiating Effective Contracts](#)" (NACUA Annual Conference 2022).

# **SAMPLE SIGNATURE AUTHORIZATION AND DELEGATION OF AUTHORITY POLICY**

This Signature Authorization and Delegation of Authority Policy (this "**Policy**") is binding upon you as a [COMPANY NAME] (the "**Company**") employee. Consult with the Company's [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] at [CONTACT INFORMATION] if you have any questions about this Policy.

## **Purpose of Policy**

The purpose of this Policy is to promote the efficient operation of the Company and establish sound internal controls where only individuals with properly delegated signature authority are able to commit the Company to binding obligations and execute contracts on behalf of the Company.

## **Scope of Policy**

This Policy establishes guidelines, procedures, and requirements for:

- Designating the persons who are authorized to commit the Company to binding obligations and execute contracts and other transactions on behalf of the Company ("**Authorized Signatories**").
- Delegating[ and subdelegating] such authority.
- Defining the limits on such authority.

[Except as otherwise stated herein, this Policy supersedes any and all signature authorization practices and policies adopted by the Company, including any prior delegations of authority.]

## **Application of Policy**

This Policy applies to:

- **All contracts and other transactions entered into on behalf of the Company.** Contracts and other transactions include, without limitation, all agreements, licenses, leases, promissory notes, instruments, assignments, powers of attorney, terms and conditions, memoranda of understanding, letters of intent, settlements, releases, waivers, renewals, amendments, or modifications to existing contracts, claims, disputes, representations, and other similar documents and commitments. All contracts must be in writing. Oral contracts are not authorized regardless of whether there is a monetary exchange.
- **All employees (including officers and managers) who seek to approve or execute a contract or other transaction on behalf of the Company.** All employees must follow the procedures and comply with the requirements of this Policy with respect to:
  - the approval and execution of any contract or other transaction to which the Company is a party; and
  - the delegation[ and subdelegation] of any signature and approval authority granted by the Company.

Independent contractors and consultants do not have the authority to bind the Company.

### **Signature Authorization**

The Board of Directors (the "**Board**") has the general authority under applicable statutes and Company by-laws to enter into all contracts to which the Company may be a party, and may delegate such authority to one or more Authorized Signatories for the day-to-day management of the Company. Notwithstanding the foregoing, the Board has ultimate accountability to the shareholders for the management of the Company and retains authority and oversight over the Company. As such, the Board may continue to exercise all powers available to it and contract on behalf of the Company, whether or not a delegation has been made.

### **Role of Authorized Signatories**

Authorized Signatories are authorized to approve, execute, acknowledge, and deliver, in the name and on behalf of the Company, any and all contracts within the scope of their authority that they determine to be necessary or appropriate to carry out the transactions authorized thereby.

No person may sign any contract on behalf of the Company unless such individual is an Authorized Signatory. Authority to sign includes physical signatures[, electronic signatures,] and clickthrough agreements that acknowledge the acceptance of and agreement to specified terms and conditions.

### **Source of Authority**

An individual is designated an Authorized Signatory of the Company only if they are authorized to sign and approve contracts pursuant to one of the following:

- Company by-laws.
- The Board's written resolution.
- A valid delegation[ or subdelegation] of authority in accordance with this Policy.

### **Primary Authorized Signatories**

#### **The Company's primary Authorized Signatories have the following levels of authority:**

- **Level I Authority.** According to the [Company's by-laws/Board's delegation of authority], the President and Chief Executive Officer (the "**CEO**") has authority to execute and approve all contracts and other transactions on behalf of the Company [having a value of [NUMBER] Dollars (\$[NUMBER]) or less].
- **Level II Authority.** According to:
  - the [Company's by-laws/[Board's/CEO's] delegation of authority], the Chief Financial Officer (the "**CFO**") has authority to execute and approve contracts involving all fiscal areas of the Company including, without limitation, financing arrangements, foreign currency transactions, banking business, cash management, investment arrangements, tax matters, and [DESCRIPTION OF MATTERS] [having a value of [NUMBER] Dollars (\$[NUMBER]) or less].
  - the [Company's by-laws/[Board's/CEO's] delegation of authority], the Chief Operating Officer (the "**COO**") has authority to execute and approve contracts

involving the daily operation of the Company including, without limitation, sales and marketing activities, information systems, personnel affairs, administrative functions, and [DESCRIPTION OF MATTERS] [having a value of [NUMBER] Dollars (\$[NUMBER]) or less].

- the [Board's/CEO's] delegation of authority, the General Counsel has authority to execute and approve contracts involving the management of the Company's legal affairs including, without limitation, engagement of outside counsel, litigation, settlements, and [DESCRIPTION OF MATTERS] [having a value of [NUMBER] Dollars (\$[NUMBER]) or less].
- **Level III Authority.** According to the [CEO's delegation of authority/[SOURCE OF AUTHORITY], [Vice Presidents/[TITLES]] have authority to execute and approve contracts within their areas of responsibility [having a value of [NUMBER] Dollars (\$[NUMBER]) or less].

### **Delegation of Authority**

When Authorized Signatories are temporarily unavailable due to vacation, illness, travel, or unforeseen events, their signature and approval authority needs to be delegated to ensure the efficient continuation of Company operations and business decisions.

For purposes of this Policy:

- **"Delegator"** is an Authorized Signatory with Level I, Level II, or Level III authority who delegates their signature and approval authority under this Policy.
- **"Delegatee"** is any appropriate position within the Company who is delegated signature and approval authority by a Delegator under this Policy.
- **"Subdelegator"** is a Delegatee who subdelegates their signature and approval authority under this Policy.
- **"Subdelegatee"** is any appropriate position within the Company who is subdelegated signature and approval authority by a Subdelegator under this Policy.]

### **Delegation Rules**

Authorized Signatories with Level I, Level II, or Level III authority may delegate signature and approval authority to a Delegatee, subject to the following limitations and requirements:

- **Delegator responsibilities.** Delegators shall:
  - retain and may continue to exercise their authority notwithstanding any delegation of authority to Delegatees;
  - remain ultimately accountable for their area of responsibility, including any contracts executed by their Delegatees;
  - make all delegations with due consideration for the proper segregation of duties; and
  - ensure that their Delegatees have a full understanding and appreciation of their delegated authority.



- **Delegatee selection criteria.** Delegation may only be made to a Delegatee:
  - identified by position, not to a named individual; [and]
  - having the expertise to use the delegated authority appropriately and knowledgeably[;] [and]
  - [no more than [two/[NUMBER]] reporting levels below the Delegator, if made by a Delegator with Level I [./or] Level II [or Level III] authority][; and]
  - [no more than [one/[NUMBER]] reporting level below the Delegator, if made by a Delegator with Level III authority].
- **Delegation procedures.** All delegations must:
  - be in writing using the [Delegation of Authority Form/[FORM NAME]];
  - clearly specify the limitations on the authority to be granted (such as the duration, business area, contract type, fiscal amount, and any approval and co-signature requirements);
  - [be approved by the [CEO/[TITLE]]];
  - be copied and maintained by the office of the Delegator and the Delegatee; and
  - be filed with the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] within [NUMBER] business days of execution.
- **Delegation limitations.** All delegations:
  - are subject to the terms of this Policy;
  - are limited by the scope of the Delegator's authority, and further subject to any restrictions specified by the Delegator in the [Delegation of Authority Form/[FORM NAME]]]; and
  - automatically expire at [fiscal/calendar] year-end, unless the [Delegation of Authority Form/[FORM NAME]] specifies an expiration date. For an expired delegation to continue, the Delegator must reauthorize such delegation in writing.

Any individual who is in an acting or interim position shall have the right to exercise the signature and approval authority of such position. A [Delegation of Authority Form/[FORM NAME]] is not required for short-term acting or interim appointments. The appointing officer shall submit written notice of the acting or interim appointment to the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] within [three/[NUMBER]] business days of any such appointment.

### **Subdelegation of Authority**

[A Delegatee may only subdelegate their signature and approval authority if expressly authorized in the [Delegation of Authority Form/[FORM NAME]] granting authority to such Delegatee. Any authorized subdelegation shall be subject to the following limitations and requirements:

- A subdelegation must be in writing using the [Delegation of Authority Form/[FORM NAME]].

- A subdelegation may only be made to a direct subordinate of the Subdelegator.
- A Subdelegatee may not further sub-subdelegate the authority granted to them.
- All Subdelegators shall have the responsibilities applicable to Delegators under this Policy.
- All subdelegations are subject to the delegation procedures and requirements in this Policy.

If there is any question of whether a delegation or subdelegation of signature and approval authority may be made, please contact the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] at [CONTACT INFORMATION].

**OR**

Subdelegations of authority are not permitted under this Policy.]

**Revocation of Authority**

A delegation [or subdelegation] of authority may be revoked or modified at any time in writing by:

- The Delegator [or Subdelegator] granting such authority.
- The Board or the [CEO/[TITLE]].

The revoking individual must immediately notify the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] in writing of any such revocation.

**Master List of Authorized Signatories**

To ensure the Company's list of Authorized Signatories is current and complete:

- Each Authorized Signatory shall advise the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] of its delegations[ or subdelegations] and the scope of authority granted to its Delegates [or Subdelegates], including:
  - the types of contracts each Delegatee [or Subdelegatee] is authorized to approve and execute;
  - the maximum approval amount for each contract type;
  - any other limits, restrictions, or specifications placed on the signature and approval authority of each Delegatee [or Subdelegatee];
  - [the extent to which each Delegatee may subdelegate any authority;] and
  - any changes to such delegations[ or subdelegations].
- The [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] shall maintain a master list of authorized signatories and valid delegations[ and subdelegations] in the form of a Delegated Authorities Table. The current Delegated Authorities Table is attached hereto as Schedule A and available

[on the Company intranet/at [LOCATION]]. The [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] shall update the Delegated Authorities Table from time to time as necessary.

- The [Human Resource Department/[DEPARTMENT NAME]] shall notify the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] of any organizational changes that impact signature and approval authority or the Delegated Authorities Table.
- At least annually, the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] shall review all delegations[ and subdelegations] and require each Authorized Signatory to certify that their delegations[ or subdelegations] recorded in the Delegated Authorities Table are accurate, complete, and consistent with the needs of the Company.

Unless the specific authority is included in the Delegated Authorities Table or you have been advised by the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] of the existence of a delegation[ or subdelegation], you should assume that there is no such delegation[ or subdelegation] and thus, no such signature authority. If you are not sure who should sign a contract, please contact the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] at [CONTACT INFORMATION].

### **Matters Requiring Board Approval**

Notwithstanding any delegations granted under this Policy, the following matters require the Board's (or its subcommittee's) prior authorization and approval by specific resolution:

- Amendment to the Company's [certificate/articles] of incorporation or by-laws.
- Dissolution or winding up of the Company.
- [Sale or distribution of all or substantially all of the Company's assets, or a sale of a Company business, product line, or subsidiary.]
- [Merger or acquisition of a company or business.]
- [Changes to the Company's capital structure.]
- [Distributions to stockholders.]
- [Issuance of securities.]
- [Equity grants or transfers (whether stock, options, or warrants).]
- [Borrowing or lending money.]
- [Adoption of employee benefit plans (such as 401(k), profit-sharing, and health plans).]
- [A commitment wherein the liability or expenditure of the Company, in aggregate, is in excess of [NUMBER] Dollars (\$[NUMBER]) or the revenue is in excess of [NUMBER] Dollars (\$[NUMBER]).]

- [Purchase, sale, acquisition, disposal, or encumbrance of buildings or land regardless of the value.]
- [Agreement to lease land or buildings for a term of [twelve/[NUMBER]] months or longer.]
- [Hiring or terminating members of senior management (or amending the terms of their employment, including compensation).]
- [Engagement of Company's outside auditors.]
- [Approval of Company business plans and annual budgets.]
- [Approval of financial statements.]
- [Contracts with principal shareholders and directors.]
- [Contracts of material importance to the Company.]
- [Matters with the potential to have a material impact on the reputation of the Company.]
- [A commitment that exposes the Company to an uncertain and potentially significant liability.]
- [A commitment that is precedent-setting or involves sensitive issues as determined by the Board or the CEO.]
- [DESCRIPTION OF OTHER MATTERS REQUIRING BOARD APPROVAL.]

Management is required to report regularly to the Board concerning the authority exercised and matters that require Board approval.

### **Corporate Approval and Execution**

Given the broad range of contracts and the numerous commitments undertaken in the normal course of the Company's business, determination of appropriate signature authority and related requirements can be complex. All Company employees should be aware that the authority to execute and approve contracts depends on the nature of the contract, consultation with other departments impacted by the transaction, and appropriate signature authority. Employees who have other employees or representatives of the Company reporting to them should take all necessary steps to ensure these individuals know and follow this Policy.

### **Responsibilities of Authorized Signatory**

Each Authorized Signatory (including Delegates [and Subdelegates]) is responsible for:

- Ensuring that they have the appropriate authority to execute and approve a contract.
- Acting within the limits of their power and delegation [or subdelegation].
- Exercising their authority with care and diligence. The Authorized Signatory should undertake appropriate investigation and inquiry to confirm that the contract and any commitments made on behalf of the Company are:
  - based on accurate information;

- being made for a proper purpose, in the best interest of the Company, and in furtherance of its mission;
- of substantive benefit that outweighs any potential risks to the Company, consistent with the Company's risk tolerance;
- capable of being lawfully undertaken by the Company;
- in compliance with other Company policies; and
- not in conflict with existing Company agreements.
- Confirming that all other reviews and approvals required by applicable Company policies have been obtained prior to contract execution, including:
  - Legal Department approval in accordance with the [Contract Review and Approval Policy/[POLICY NAME]];
    - subject matter approvals, such as by the risk management and tax departments, and other relevant specialized personnel within the Company;
    - funding approvals; and
    - the approval of any other business department affected by the contract.

This Policy is not exhaustive. The Company expects all Authorized Signatories to exercise common sense and judgment in carrying out the decision-making process, such as when deciding the precise consultation and approval route for a particular contract or other transaction. If any contract is of an unusual nature or outside the normal course of Company activities and practices, the Authorized Signatory should elevate such contract to a higher organizational level for review and decision, even if the contract is within the Authorized Signatory's scope of authority. In cases of doubt, for example in regard to novel, potentially contentious, or higher risk matters, any decisions must be escalated to the [CEO/[TITLE]], irrespective of monetary value.

### **Compliance with Other Policies**

Signature and approval authority does not override other safeguards in the contracting process. Any approval and execution of a contract must comply with all relevant policies, internal controls, and guidelines of the Company, including those procedures and forms specific to the nature of the activity. This includes:

[List applicable documents]

**Conflicts of interest.** All Company employees are responsible for ensuring that the Company does not enter into a contract or other transaction that presents a real or perceived conflict of interest. All Company employees shall comply with the Company's [Code of Ethics/Conflict of Interest Policy/[POLICY NAME]] when reviewing, approving, or otherwise exercising their authority with respect to such contract or other transaction. If a real or perceived conflict of interest does arise, the issue must be resolved prior to entering into such contract or other transaction, as required by the Company's [Code of Ethics/Conflict of Interest Policy/[POLICY

NAME]]. Resolution of any real or perceived conflict should be documented in writing and maintained [with the contract/by the [DEPARTMENT NAME]]. Questions about possible conflicts should be directed to [the Legal Department/[CONTACT INFORMATION]]. A copy of the Company's [Code of Ethics/Conflict of Interest Policy/[POLICY NAME]] is available at [LOCATION].

- **Other Company policies.** The review, approval, and exercise of authority under this Policy must comply with other Company policies and procedures including, without limitation:
  - [[The Contract Review and Approval Policy], available at [LOCATION].]
  - [[The Code of Conduct and Ethics/[POLICY NAME]], available at [LOCATION].]
  - [[The Anti-Bribery Policy/[POLICY NAME]], available at [LOCATION].]
  - [[The Antitrust Compliance Policy/[POLICY NAME]], available at [LOCATION].]
  - [[The Confidential Information Policy/[POLICY NAME]], available at [LOCATION].]
  - [[The Brand Protection Policy/[POLICY NAME]], available at [LOCATION].]
  - [[POLICY NAME], available at [LOCATION].]

### **Signature Requirements**

Each Authorized Signatory approving a contract must affix their own signature (physical or electronic, as permitted) to any contracts that are required to be signed. Signing or fixing someone else's name is strictly prohibited[ except in special circumstances where permission is granted in writing for an express purpose by the person whose name is being affixed].

### **Violation of this Policy**

- Only Authorized Signatories may sign contracts on behalf of the Company. Any other individual who enters into a contract, whether oral or written, that purports to bind the Company is acting without authority and may be held personally liable for the contract.
- Dividing a transaction into two or more parts to evade a limit of authority is prohibited and is a violation of this Policy. This Policy shall be interpreted broadly so that a series of reasonably related transactions and the total number of years in a contract shall be considered a single transaction for purposes of determining approval and authority levels required by this Policy.
- Conduct that violates this Policy is always considered outside the scope of employment of any employee acting on behalf of the Company.
- Any employee, regardless of position or title, who violates any provision of this Policy (including individuals who enter into unauthorized contracts or other transactions) will be subject to discipline, up to and including termination of employment.

### **Administration of this Policy**

The Company expressly reserves the right to change, modify, or delete the provisions of this Policy without notice.

The [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] is responsible for the administration of this Policy. All employees are responsible for consulting and complying with the most current version of this Policy. If you have any questions regarding this Policy or concerning the scope or delegation of authority, please contact the [Legal Department/Finance Department/Corporate Secretary's Office/[DEPARTMENT NAME]] at [CONTACT INFORMATION].

**Effective Date**

- This Policy is effective as of [DATE].
- Revision History: [DATE AND DESCRIPTION OF LATER REVISIONS].

**Acknowledgment of Receipt and Review**

I, \_\_\_\_\_ (employee name), acknowledge that on \_\_\_\_\_ (date), I received a copy of [the Company/[EMPLOYER NAME]]'s Signature Authorization and Delegation of Authority Policy (the "**Policy**"), dated [VERSION DATE], and that I read it, understood it, and agree to comply with it. I understand that [the Company/[EMPLOYER NAME]] has the maximum discretion permitted by law to interpret, administer, change, modify, or delete this Policy at any time [with or without notice]. This Policy is not promissory and does not set terms or conditions of employment or create an employment contract.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

**SCHEDULE A**

**DELEGATED AUTHORITIES TABLE**

[ATTACHMENT TEXT]





**You Signed What?! Delegated Contractual Authority – Best  
Practices and Policies**

May 16, 2023

If you are an attorney applying for Continuing Legal Education credits (CLEs), you must sign this attendance record to verify your attendance. Please complete and return this form no later than Friday, May 19 to the CLE Credit Submission Portal ([www.nacua.org/submitCLE](http://www.nacua.org/submitCLE)).

**\*Total CLE Credits = 120 minutes**

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**Organization**

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**PRINTED Name**

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**SIGNATURE**

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**State & Bar Number (If Applying for CLE)**

## **You Signed What?! Delegated Contractual Authority – Best Practices and Policies**

May 16, 2023

- **Attorneys from MD, MA, MI, SD, or DC:** These jurisdictions do not have CLE requirements and therefore require no report of attendance or filing.
- **Attorneys from AK, AZ, CA, CO, CT, DE, HI, IN, IA, KY, MN, MO, MT, NH, NJ, NY, VT, WI, or WY:** Do not return this form to NACUA. Please keep this form for your records to submit directly to your state CLE commission or in case your state bar audits you for CLE compliance. Please also remember to sign the attendance record.
- **Attorneys from all other states:** Please complete and return this form no later than Friday, May 19 to the CLE Credit Submission Portal ([www.nacua.org/submitCLE](http://www.nacua.org/submitCLE)). Please also remember to sign the attendance record.

NACUA certifies that this program has been presumptively approved and conforms to the standards prescribed by the rules and regulations of the State Bars of AK, AZ, AR, CA, CT, DE, HI, NV, NH, NJ, NM, PA, RI, VT, WV and WY. NACUA will apply for CLE credits from the following states: AL, CO, FL, GA, ID, IL, IN, IA, KS, KY, LA, ME, MN, MS, MO, MT, NE, NC, ND, OH, OK, OR, SC, TN, TX, UT, VA, WA and WI.

The New York Approved Jurisdiction policy may apply to this program. New York attorneys may apply CLE credit from one of the approved jurisdiction states towards their NY CLE requirement. For more information and to review the policy, please visit [www.nycourts.gov/attorneys/cle/approvedjurisdictions.shtml](http://www.nycourts.gov/attorneys/cle/approvedjurisdictions.shtml).

**Note: Restrictions vary state by state and not all states will accredit this webinar.**

Upon receipt of this certificate of attendance and your attendance record, NACUA will process the credits through the applicable state if approved.

### **Certification**

**NACUA will apply for a total of 120 minutes. By signing below, I certify that I attended the above activity and request \_\_\_\_\_ minutes of CLE credits.**

\_\_\_\_\_  
Name

\_\_\_\_\_  
State & Bar Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Email

\_\_\_\_\_  
Signature

Authorized By:



Amanda McLean  
Meetings and Events Coordinator

## **You Signed What?! Delegated Contractual Authority- Best Practices and Policies**

May 16, 2023

**FOR KANSAS, NEW YORK, OHIO AND PENNSYLVANIA ATTORNEYS ONLY**

\*This is a supplementary document to keep track of the verification codes for each program. Please complete and return this form no later than Friday, May 19 to the CLE Credit Submission Portal ([www.nacua.org/submitCLE](http://www.nacua.org/submitCLE)).

<b>Date / Time</b>	<b>Session Title</b>	<b>Verification Code 1</b>	<b>Verification Code 2</b>
5/16/2023 12:00 PM ET	You Signed What?! Delegated Contractual Authority – Best Practices and Policies		



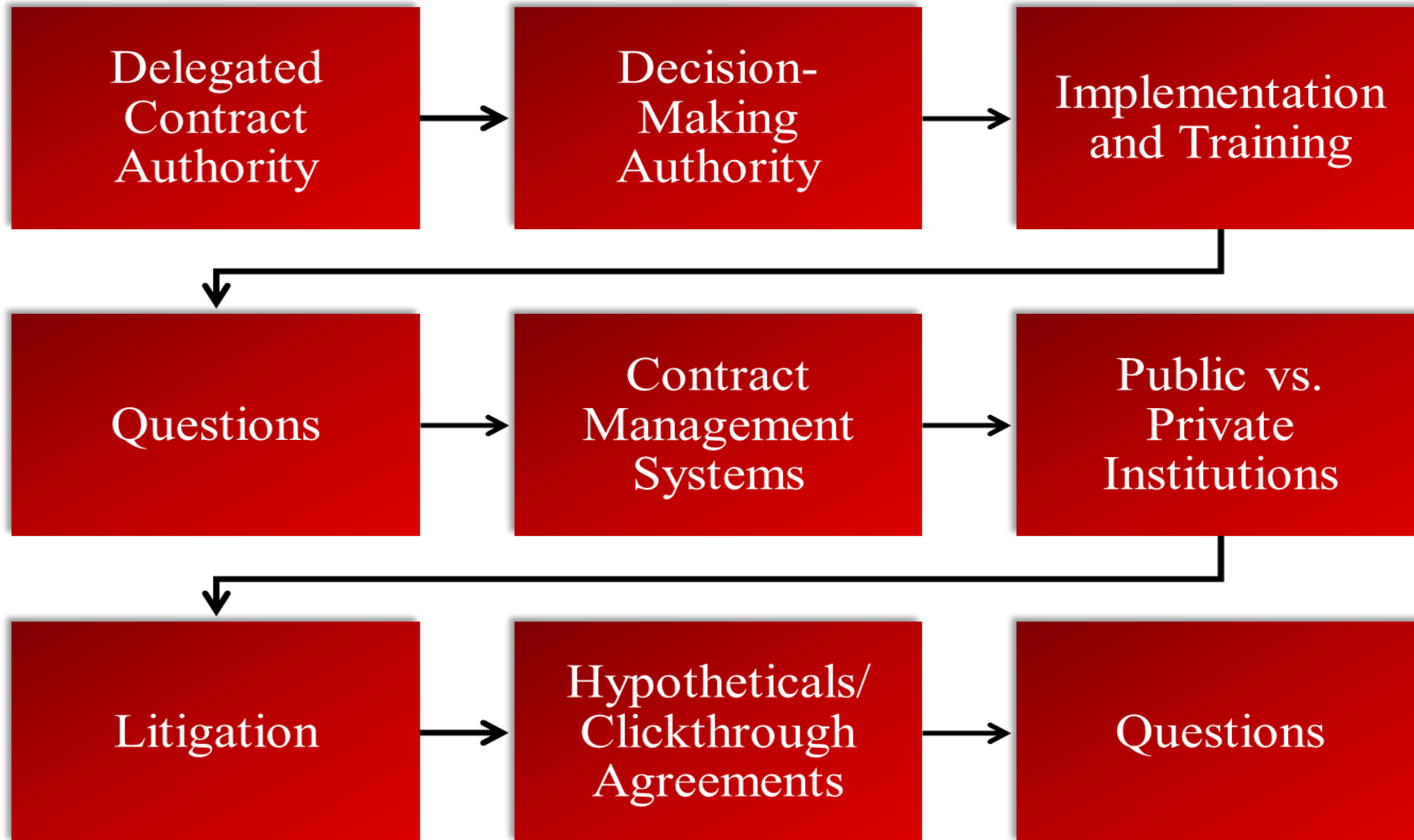
Webinar

# You Signed What?! Delegated Contractual Authority – Best Practices and Policies

**Kate Peterson**, Deputy General Counsel, Brown University

**Matthew Wallis**, Director of Contracts, Texas Christian University

# Roadmap



# Delegated Contractual Authority Fundamentals

# Importance of Contracts



**Contracts are a critical part of any University's operation**

Establish University's financial exposure.

Define deliverables of a relationship between contracting parties.

Define conditions under which you, your department and the University are liable for risks and/or damages.

Define roles and responsibilities including security measures taken to protect data, injury to parties involved, and intellectual property rights.

# Types of agreements/contracts





# What is Delegated Contractual Authority?



Employee's ability to sign contracts on behalf of, and therefore bind, the University.



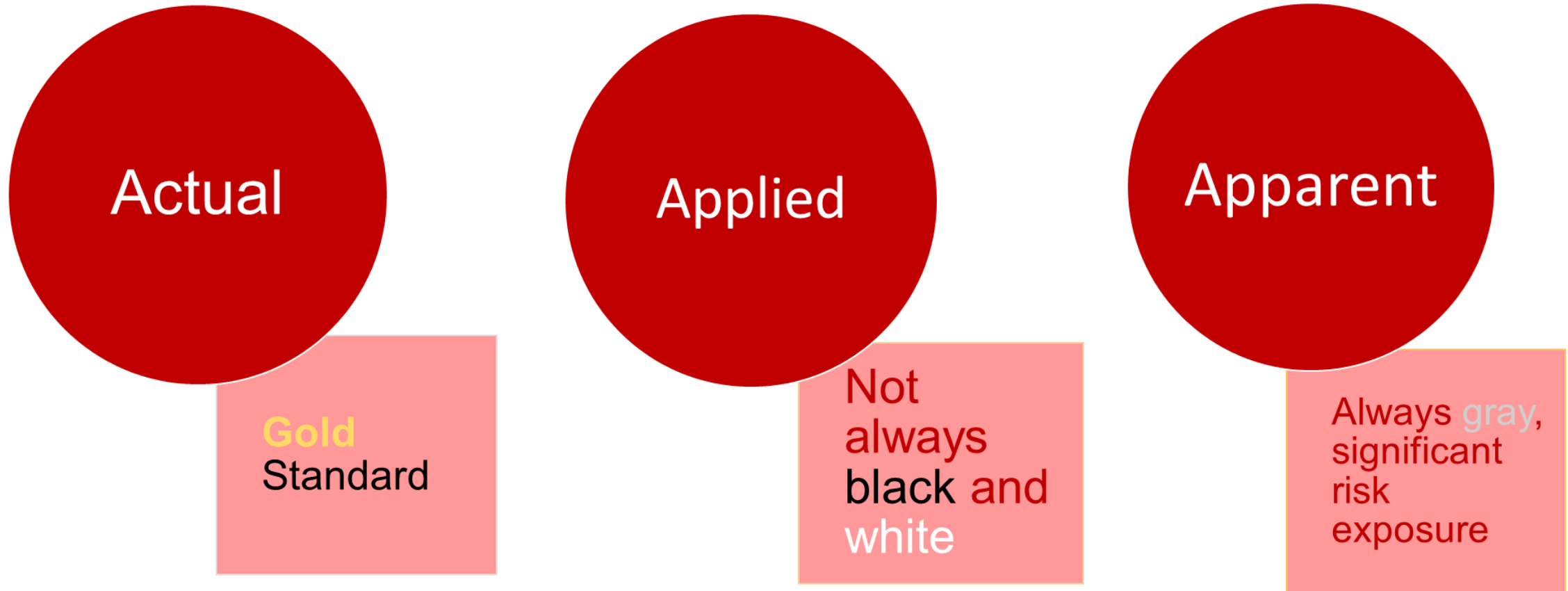
Only certain employees have the authority to sign contracts.



Questions often arise about whether a specific employee has the authority to sign a contract.

PSA: If you aren't sure, you probably don't have authority to sign!

# Types of Authority



# Why is this important for you?

Unauthorized signatures make a contract potentially unenforceable

Unauthorized signatures may cost the University time and money to correct

Unauthorized signatures may expose the unauthorized signer to legal liability. . .

. . .In certain states, personal liability

It is imperative that employees **make sure** that they are authorized to sign on behalf of the University **before** doing so

# Delegation of Authority Policy



A Policy for designating the persons who are authorized to execute and approve contracts on behalf of the University.



Defines an authorized signatory and establishes procedures for delegating signature and approval authority, including placing limits on the scope of that authority.



Sets out general responsibilities for authorized signatories when reviewing, approving, and executing company contracts.

# Best Practices for Policy

- ✓ **Keep it clear, concise and not riddled with legalese**
- ✓ **Language should be approachable, easily understood by all employees**
- ✓ **Clearly define roles and responsibilities and definition section**
- ✓ **Outline procedure for proper delegation of authority**
- ✓ **Specify general and specific delegations of authority**
- ✓ **Unauthorized contracts – explain consequences for failure to comply with policy**

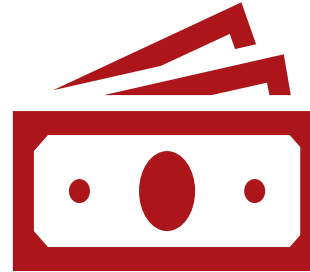
# Best Practices



Create an  
audit trail



Limit  
delegation  
and sub-  
delegation



Create dollar  
limits for  
each  
category



Maintain a central  
list of current  
signature  
authorities,  
delegation and  
sub-delegations

# Every delegation needs: who, what, where, and when



**Dean**



**Purchase goods and services  
>\$1 million  
(Limitation: may not sub-delegate further)**



**School of Engineering**



**Effective date**

# Best Practices – Updating Delegations

Maintain

- A central list of current signature authorities and valid delegations and sub-delegations

Update

- The list at least annually

Post

- The list in a location accessible to all employees and, if appropriate, third parties



# Delegation of Authority – Sample Matrix

NAME	TITLE	DEPARTMENT	THRESHOLD	DA 1058 SERVICE AGREEMENTS	DA 2100 PURCHASE ORDERS	DA 2231 REAL PROPERTY	DA 2233 EASEMENTS & RIGHT OF WAY	FACILITY USE	CONTRACT TEMPLATE
Vacant	Contract Analyst	Contracts	\$95,000	x	x			x	
Paulina Heather	Contract Analyst	Contracts	\$95,000	x	x			x	
Leila Thomas	Contract Analyst	Contracts	\$250,000	x	x	x	x	x	
Patrick Anglin	Buyer	Purchasing	\$95,000		x				
TJ Bloominger	Buyer	Purchasing	\$95,000		x				



Area	Department	Position	Employee	Description of Authority	Authority Limit
All Campus Life	All Campus Life	AVP Campus Life	David Clark	Backup, All ECL contracts up to \$100,000	\$150,000
		SVP of Campus Life	Enku Gelaye	All ECL contracts up to \$250,000	\$250,000
		CBO	Lina Vargas	Backup, All ECL contracts up to \$50,000	\$50,000
Dean of Students	Parent & Family Programs	TBD	(Open)	All Alumni Relations and Parent & Family Program contracts	\$50,000
David Clark	All Portfolio	AVP Campus Life	David Clark	All portfolio contracts up to \$150,000	\$150,000
	Communications	Director	Sara Tanner	All Communications contracts	\$25,000
	Dining	Director	Chad Sunstein	Back up, All Food Services Contracts	\$50,000
	ESC, SILT & CCE	Executive Director	Lydia Washington	ESC, SILT & CCE Contracts	\$50,000
	ESC & Returning Student Programs	Director	Jackie Grinvalds	ESC & Returning Student Programs Contracts	\$25,000
	Housing & Conferences	Sr. Director	Elaine Turner	All Housing & Conferences Contracts	\$50,000
		<i>Sr. Director</i>	<i>Elaine Turner</i>	<i>(Internal Only) Limited to Project Authorization Forms for department (PAF's)</i>	<i>\$500,000</i>
		Director	Sherry Ebrahimi	Backup: All Housing & Conferences Contracts	\$25,000
		<i>Director</i>	<i>Raymond Hebert</i>	<i>(Internal Only) Limited to Project Authorization Forms for department (PAF's)</i>	<i>\$100,000</i>
	HR	Director	Mekeshua North	All HR Departmental Contracts	\$5,000
ORSLF	Sr. Director	Scott Rausch	All Residence, Sorority, Fraternity Life contracts	\$25,000	
Technical Services	Director, CLTS	Bruce Covey	All CLTS contracts	\$25,000	
Dona Yarbrough	All Portfolio	AVP, Campus Life	Dona Yarbrough	Backup, All L&I umbrella contracts up to \$50,000	\$50,000
	Barkley Forum	Director	Mikaela Malisin	All Barkley Forum contracts	\$25,000
	Center for Women	Director	Chanel Tanner	All Center for Women Contracts	\$5,000
	LGBT Life	Director	Danielle Bruce-Steele	All LGBT Life contracts	\$5,000
	RACE	Director	(Open)	All RACE contracts	\$25,000
James Raper	Health Wellbeing Access and Prevention	VP, Campus Life	James Raper	All Health Wellbeing Access and Prevention contracts	\$100,000
		Director	Asti Magby	Back up, All Health Wellbeing Access and Prevention Contracts	\$25,000
	Counseling Ctr.	Director	Kellan Rickard	All Counseling Center & Respect contracts	\$25,000
	Respect	Director	Emily Palmieri	All Respect contracts	\$5,000
	OHP	Director	Brandi Benton	All OHP contracts	\$5,000
Kelko Price	Athletics	AVP, Campus Life	Kelko Price	Athletic & Recreation Contracts	\$50,000
	Athletics: SAAC	Director	April Flint	Back up, All SAAC Contracts	\$25,000
		Deputy Athletics Director	Devon Hendricks	Back up, All SAAC Contracts	\$25,000
	Rec & Wellness	Director	April Flint	Back up, Rec & Wellness Contracts	\$25,000
Sharon Rabinovitz	Student Health	Executive Director	Sharon Rabinovitz	All Student Health contracts	\$50,000
		Director	(Open)	All Student Health contracts	\$5,000
		Assistant Professor	(Open)	All Student Health contracts	\$5,000
Dean of Students	All Portfolio	VP Campus Life	David Clark	All Community contracts up to \$50,000	\$50,000

# Academic & Student Affairs

Name	Scope of Authority
<p><b>Elizabeth Bejar</b> Provost, Executive Vice President and Chief Operating Officer Office of the Provost</p> <p>Sr. Vice President, Academic &amp; Student Affairs Division of Academic &amp; Student Affairs</p>	<p>\$1,000,000</p> <p>Approve and execute all agreements, and contracts for the procurement of goods and services, with a value not to exceed \$1,000,000 and to sign all documents related thereto for the benefit of the Office of the Provost and the Division of Academic and Student Affairs. This authority does not include any category of contracts specifically assigned to another senior vice president.</p>
<p><b>Robert Grillo</b> Vice President Division of IT</p>	<p>\$250,000</p> <p>Approve and execute all contracts for the procurement of goods and services with a value not to exceed \$250,000, and to sign all documents related thereto, for the benefit of the Division of Information Technology.</p>
<p><b>Pablo G. Ortiz</b> Vice President Regional Academic Locations &amp; Institutional Development</p>	<p>\$250,000</p> <p>Approve and execute all international agreements and contracts for international engagement with a value not to exceed \$250,000, and to sign all documents related thereto, for the benefit of the Office of the Provost.</p>
<p><b>Charles Andrews</b> Interim Vice President Student Affairs</p>	<p>\$ N/A</p> <p>Approve and execute all documents for FIU pertaining to the Department of Defense Voluntary Education Partnership Memorandum of Understanding.</p>
<p><b>Barbara Manzano</b> Associate Provost Office of the Provost</p>	<p>\$100,000</p> <p>Approve and execute the following agreements with a value not to exceed \$100,000 on behalf of the Office of the Provost: • Procurement of goods and services • Premises Use Agreements, Letters of Agreement, Performance Agreements, Loan Agreements for Works of Art, Preparatory Course Agreements, gift receipts for collection items donated, Museum Premises Use Agreement</p>

**Delegations of Authority for The University of Texas at Arlington\***

<b>Board of Regents' Rules and Regulations</b>	<b>From</b>	<b>Delegate</b>	<b>Date</b>
<b>CURRENT PURPOSE GIFTS:</b> Delegation of authority to accept current purpose gifts other than securities to The University of Texas at Arlington; provided that each gift is processed in accordance with applicable laws, Rules, policies and the UT Gift Acceptance Procedures.	<i>Rule 60601, Section 5; Section 7, UT System Gift Acceptance Procedures</i>	Dr. Jennifer Cowley, President	Marie E. Schultz, Vice President for Development & Alumni Relations  November 14, 2022
<b>CURRENT PURPOSE GIFTS OF SECURITIES:</b> Delegation of authority to accept current purpose gifts of securities to The University of Texas at Arlington provided that each gift is processed in accordance with all applicable laws, Rules, policies and the UT Gift Acceptance Procedures.	<i>Rule 60101, Section 5; Section 7, UT System Gift Acceptance Procedures</i>	Dr. Jennifer Cowley, President	<b><u>UT System Office of External Relations, Communications and Advancement Services</u></b>  Randa S. Safady, Ph.D., Vice Chancellor of External Relations, Communications and Advancement Services  Andria Brannon, Associate Vice Chancellor for Advancement Services  June 14, 2022
<b>IRS FORMS - GIFTS:</b> Delegation of authority to execute necessary IRS forms, including without limitation IRS Forms 8283 and 8282. Authority extends only to necessary IRS forms relating to gifts accepted on behalf of The University of Texas at Arlington.	<i>Rule 60101, Sections 8 and 2; Section 3.6, Gift Acceptance Procedures</i>	Dr. Jennifer Cowley, President	Marie E. Schultz, Vice President for Development & Alumni Relations  November 14, 2022
<b>IRS FORMS - GIFTS:</b> Delegation of authority to execute necessary IRS forms, including without limitation IRS Forms 8283 and 8282, relating to gifts. Authority extends only to necessary IRS forms relating to gifts accepted on behalf of The University of Texas at Arlington.	<i>Rule 60101, Sections 2 and 8</i>	Dr. Jennifer Cowley, President	John Davidson, Vice President for Business & Finance and Chief Financial Officer  March 14, 2023 (eff. August 22, 2022)
<b>BANKING:</b> Delegation of authority to execute and deliver contracts for banking services. Authority extends only to contracts for banking services with banks that have a depository agreement with the Board of Regents of The University of Texas System.	<i>Rule 10501; UTS166 and UTS167</i>	Dr. Jennifer Cowley, President	John Hall, Vice President for Administration & Economic Development  August 25, 2022

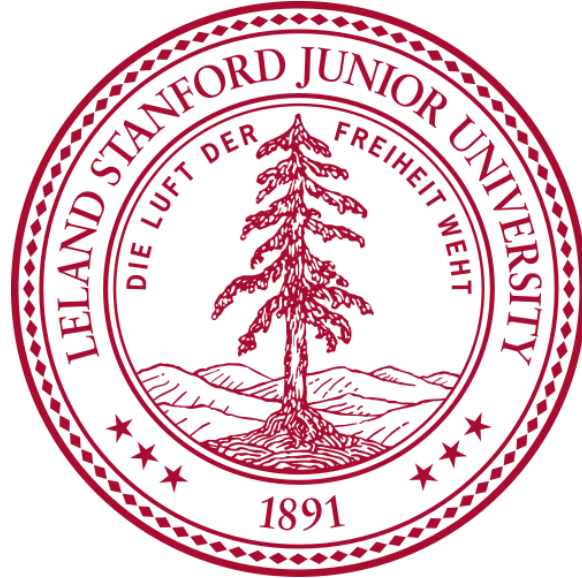
*\*Please be aware that this chart provides only a brief summary of each delegation memorandum. You will need to review the specific delegation memorandum that is of interest to you for detailed scope and restrictions related to such delegation. As of 3-25-2020, with the exception of certain Special Procedure Contracts, the Board approval threshold for UT Arlington is \$2,500,000, and the OGC threshold is \$1,000,000 (see Rule 10501 and UTS145). Delegation chart current as of 4/27/2023.*

UTARL - Page 1 of 11

# Sample Policies



EMORY  
UNIVERSITY



Middlebury  
College

# Decision-Making Authority

**Decision Making Authority**

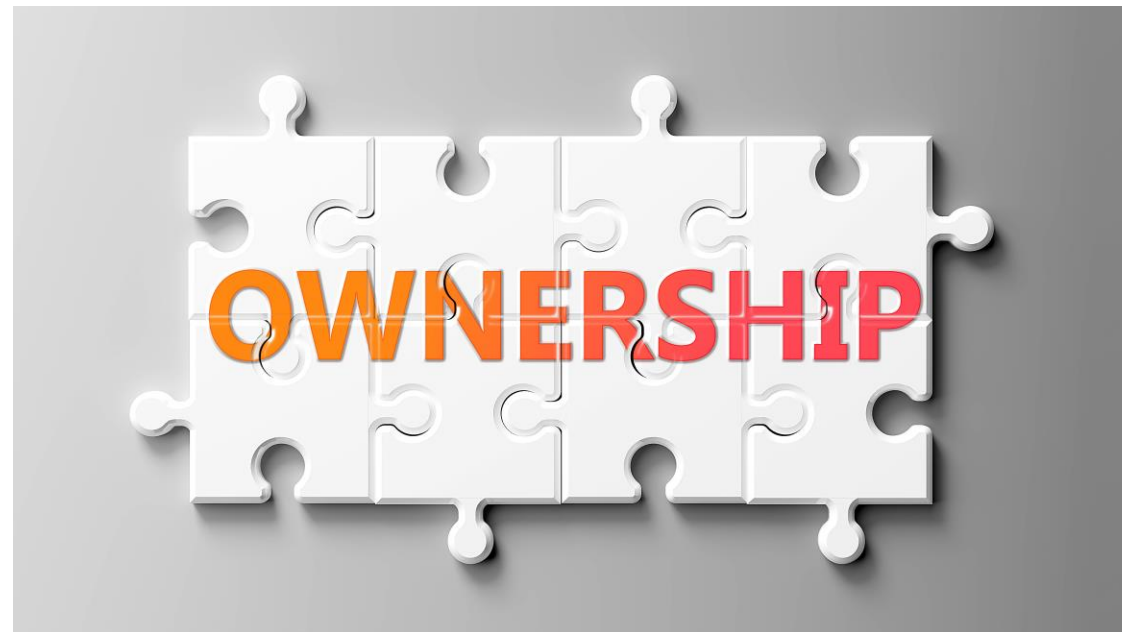
**Delegated Contractual Authority**

**=**

**Decision Making Authority**

# Decision Making Authority

Who "owns" it?





# Decision Making Authority

**Who Owns it?**

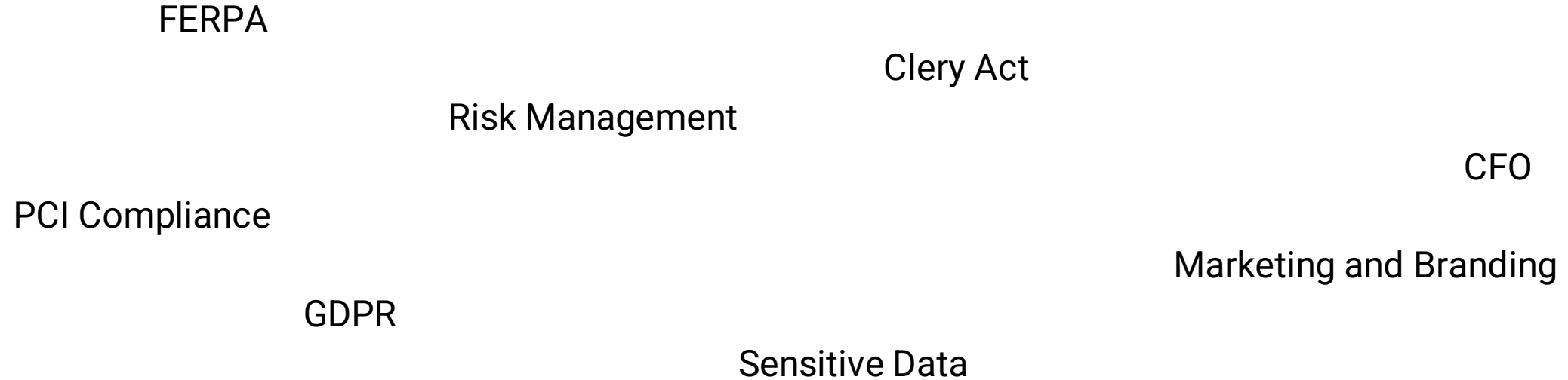
**The Delegate**



# Decision Making Authority

## Who Owns it?

**Subject Matter Experts-individuals held responsible for compliance**



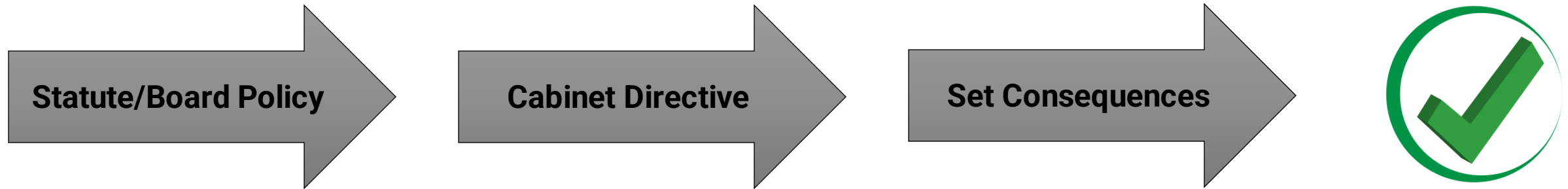
# Decision Making Authority

## Campus Rock Stars



# Implementation and Training

# Implementation and Training



# Implementation and Training

## Cultivate Relationships with VIPs

- **Business Officers**
- **Subject Matter Experts**
- **CFO**
- **General Counsel**
- **Executive Assistants to Delegates & Delegates**

# Implementation and Training

**Be a Groupie!**



# Implementation and Training


- **Train and support managers and delegates**
- **Train general employees**

**What does that entail?**

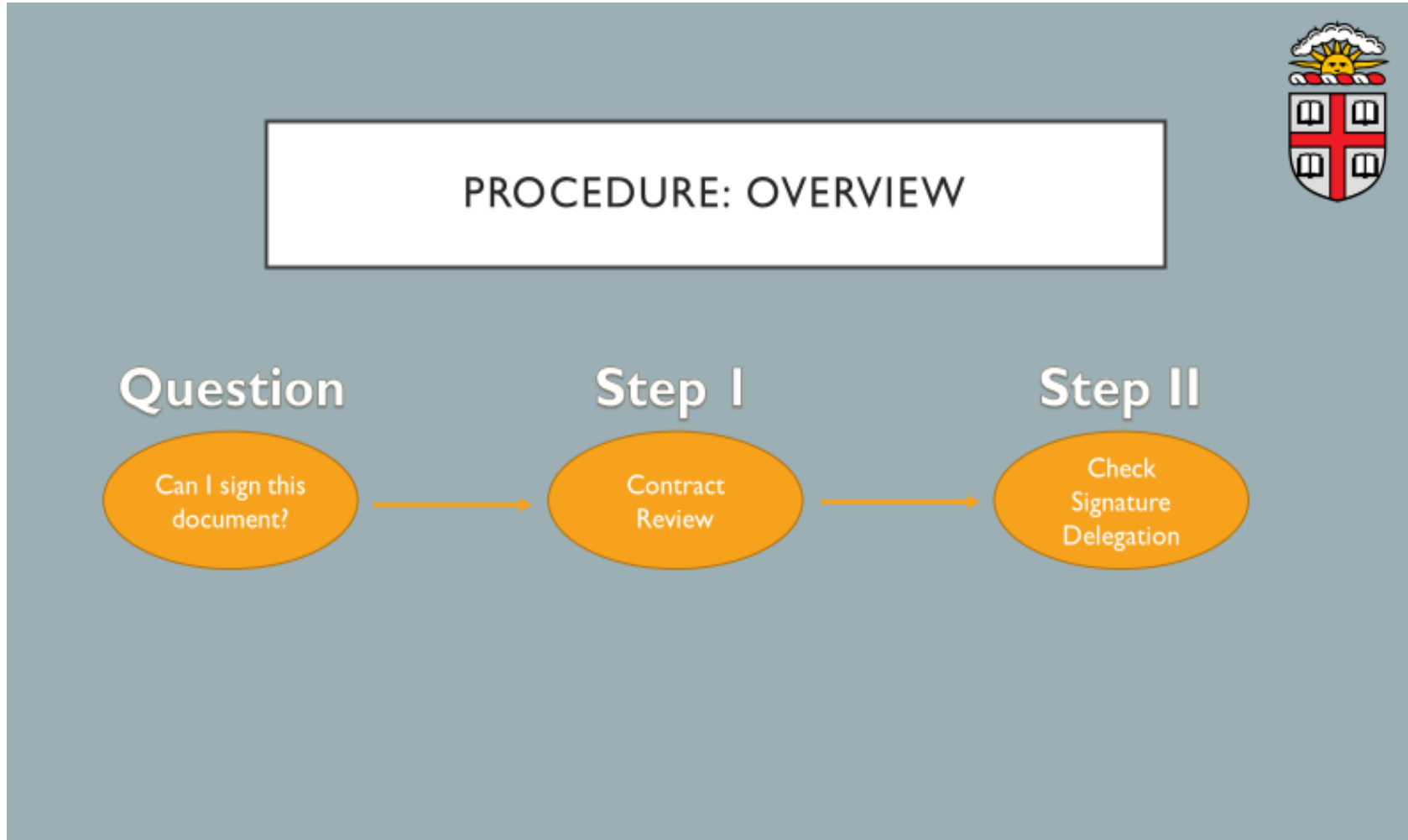


# Implementation and Training

## Everyone needs basic contract training

- **What is a contract: quotes, confirmations, click-through, reservations, etc.**
- **Necessary information & docs: COI, embedded links  static copy**
- **Basic subject matter expert information**

# Implementation and Training



## PROCEDURE: CONTRACT REVIEW

1. Before the transaction begins, the contract must be reviewed by an authorized reviewing office

- This review must happen before anything is purchased or sold, work is begun, and **before the contract is signed**

2. Most contracts will be reviewed by the Purchasing office

- Only high level and real estate transactions should be sent to the Office of General Counsel (OGC)
- The Office of the Vice President for Research (OVPR) and the Computing & Information Services (CIS) can also review department-specific contracts

\* If you are unsure whether or not a contract has been reviewed, **check with your supervisor**

## Authorized Reviewing Offices



# Implementation and Training

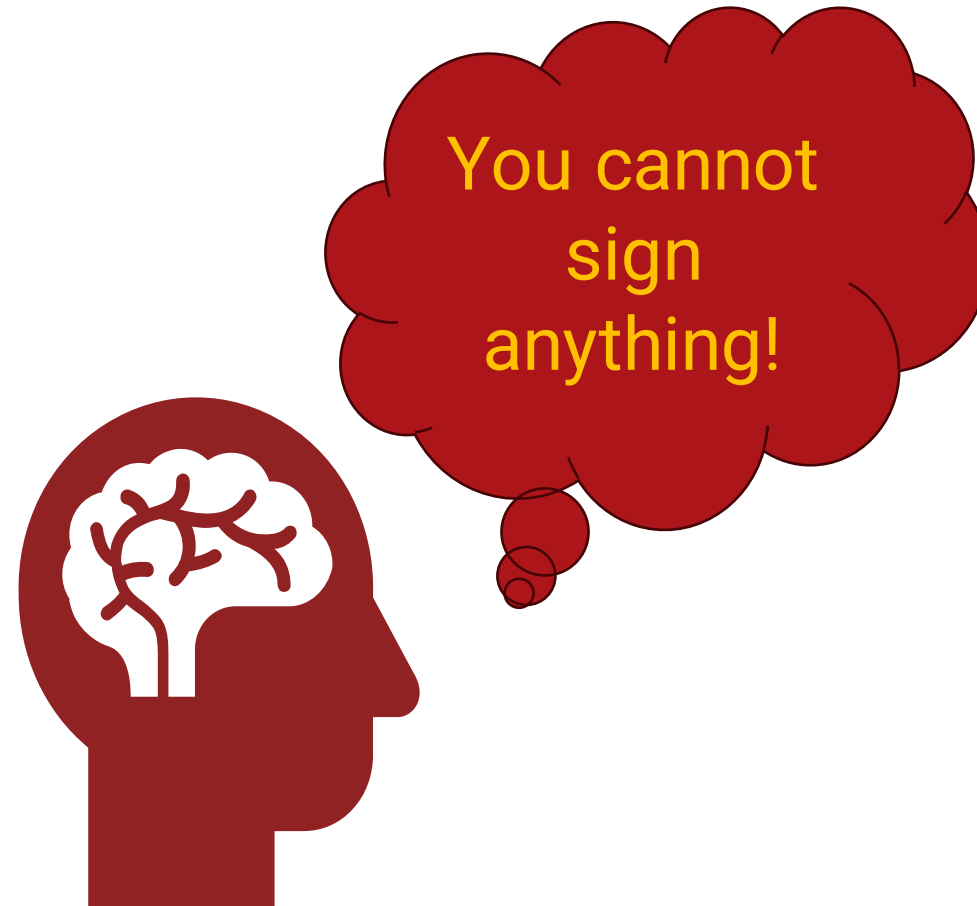
## Make yourself available

- Email address for contract questions: [contract\\_questions@tcu.edu](mailto:contract_questions@tcu.edu)
- On-going campus updates and trainings
- Feedback sessions with VIPs

# Implementation and Training



# Implementation and Training



# Implementation and Training







Violations will be subject to discipline, up to and including termination of employment

Only authorized signatories may execute contracts on behalf of the university

Risk of personal liability

# Implementation and Training

## Real Life Examples of What Not to Do!

-  Execute contract outside of signature delegation authority limits.
-  Draft your own contract form or modify a template.
-  Execute contract outside of established processes- reviews, approvals, contract system.
-  Request immediate contract review.





Questions?

# Contract Management Systems

# Contract Management Systems

- **Fully integrated life-cycle, including e-signature**
- **Places business decisions, review processes and signatures in the correct buckets**
- **What does your campus use?**
- **Not a cure-all**

# Contract Management Systems

**New and improved systems will not fix broken processes**



# Public vs. Private Institutions

# Public vs. Private Institutions

It's a Crime! Or . . . Is it?



# Public vs. Private Institutions

## Public

- **State purchasing laws**
- **Criminal statutes**
- **Rigid system**

## Private

- **Limited legal requirements**
- **Termination, if that**
- **Flexibility to customize**

# Public vs. Private Institutions

**It's not a crime and the struggle is real!**





# Litigation



# Litigation Wins

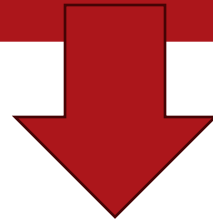
- *F.D.I.C. v. Providence College*, 115 F.3d 136 (1997).
- *Kaman Aerospace v. Arizona Bd. Of Regents*, 217 Ariz. 148 (2007).
- *El Camino Community College Dist. v. Superior Court*, 173 Cal.App.3d 606 (1985).

# Litigation Losses

- *Earl v. St. Louis University*, 875 S.W.2d 234 (1994).
- *Linkage Corp. v. Trustees of Boston University*, 425 Mass. 1 (1997).
- *Brown v. Wichita State University*, 217 Kan. 279 (1975).

# How to avoid litigation

Enact clear, non-legalese written policy that clearly outlines who can and who cannot execute a contract on behalf of the University



## Sample language to include:

University does not recognize contracts signed by University employees or agents as binding on the University unless the employee who signed the contract has duly delegated signatory authority.

Employees who sign contracts purporting to bind the University without authority may be personally liable to the contractor and the University, and may be subject to University disciplinary action, up to and including dismissal or discharge for cause.

All previous delegations of authority are superseded and rendered void as of the effective date of this regulation.

Contracts, including electronic agreements, signed without proper authority shall not be binding on the University.

# Hypotheticals & Clickthrough Agreements

# Hypothetical Assumptions

- Distributed Contractual Signature Authority
- Dean authority to sign up to \$50,000
- Provost authority to sign above \$50,000 and up to \$100,000
- CTO reviews/approves sensitive data and PCI Compliance
- Registrar reviews/approves FERPA
- Vice Chancellor Marketing reviews/approves use of University Marks

# Hypothetical #1

Dr. Joe Big Time, Professor of the world-renowned Institute of Cauliflower Knowledge & Yum (ICKY), decides to engage the services of a smartphone app builder for his new app ICKY Stuff. The app will be available on smartphone app stores and on the College of Science's webpage. The ICKY Stuff app will allow users to purchase exclusive cauliflower-related content, such as video training on how to raise cauliflower, an in-app game-Cauliflower & Zombies, and PG-13 cauliflower pics. There will be no out of pocket expense for the smartphone app builder, who will, instead, take a percentage of revenue generated by in-app purchases.

How would you handle under your college/university delegated contractual authority policy?



# Hypothetical #2

Same hypothetical, but Dr. Joe Big Time has been sent a click-through agreement by the smartphone app builder for her app building services.

How would you handle under your college/university delegated contractual authority policy?

# Hypothetical #3

Dr. Joe Big Time has sent you a proposed 5-year lease on a \$75,000 pick-up truck. He plans to use the truck for ICKY-related travel to farms and cauliflower evangelism events across the country. While reviewing the lease agreement over lunch at a patio you look up and see Dr. Joe Big Time driving the new truck already.

How would you handle under your college/university delegated contractual authority policy?



Questions?

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