

College Procedure: 730.6 – Signature Authority

Policy Reference: 730 – Purchasing
Responsible Department: Finance
Approval Authority: Cabinet
Procedure Owner: Vice President, Finance
Effective Date: 10/21/2010

Version Number: 4
Legal Counsel Reviewed (yes/no): No
Scope: College-wide

Reason for Procedure

The reason for the procedure is to establish signature authority and the delegation of signature authority with respect to contracts and agreements between the College and third parties. The College must ensure that it complies with federal, state and local requirements in obtaining legally binding signatures for all contracts and agreements.

The Procedure

This procedure outlines the scope of contract signature authority delegated by the President to various College cabinet members and budget officers in order to aid in administration of the College.

The President may delegate the authority to sign contracts related to conducting normal business operations of the College. Documents signed by the delegated person shall have the same force and effect as if the President signed the documents. Delegation of authority may be revoked at the discretion of the Board of Trustees.

College faculty members or employees are not authorized to bind the College, or any department of the College, under the terms of a contract unless the power to execute contracts is delegated by the President or otherwise as outlined below.

Unlimited Authority:

The **President and Vice President/CFO** shall have the authority to sign all contracts, regardless of the contract amount, term and subject matter.

Limited Authority:

Cabinet members shall have the authority to sign contracts up to an amount of less than \$100,000 pertaining to subject matters within their scope of employment. Any contract proposed by such Cabinet members not falling within contract subject matter should be signed by authorized representative for that subject matter.

Further Delegation of Authority:

Further delegation of signature authority is given to budget officers for contracts with a contract amount up to \$25,000 and that fall within that budget officer's subject matter. Any contract proposed by such budget officer not falling within contract subject matter should be signed by authorized representative for that subject matter.

Grants Exception:

Grants should be signed by the authorized representative identified by the Granting Agency.

Lease Agreements:

Any financing/capital lease agreements, defined below, entered into by the College must be signed by the VP – Finance, CFO. Financing/capital lease agreements are deemed to be financial debt obligations to the College and may require a bond disclosure to the bond marketplace via an EMMA filing if deemed to be material in nature. EMMA filings are required to be submitted within 10 days of executing a lease agreement necessitating the involvement and approval from the VP – Finance, CFO. Operating Leases do not require signature from the VP – Finance, CFO as they do not require a potential bond market notification.

Internal Oversight:

Any employee of the College who executes any contract is responsible and accountable for ensuring that:

- He/she has signature authority pursuant to this procedure or any further delegation made pursuant to this procedure;
- All required review and approval of the terms of any particular contract has been obtained before any commitment is made;
- Where appropriate, the transaction, proposal or agreement includes the appropriate standard provisions recommended by legal counsel;
- Funds for the transaction have been allocated or are otherwise available within regularly approved budgets, or restricted or designated accounts;
- There is no real or apparent conflict of interest on the part of the approving individual or any other individual or organization involved in the transaction, or, where a real or apparent conflict of interest does exist, the issues have been resolved prior to entering into the transaction or contract;
- All applicable College requirements concerning competitive bidding have been satisfied; and
- When a contract retains service providers or consultants as independent contractors, the independent contractor has been reviewed and approved by Human Resources.

References

Employee Code of Conduct (conflict of interest reference)
Contract Management

Definitions

Contract: AN AGREEMENT OR OTHER BUSINESS RELATIONSHIP BETWEEN KIRKWOOD AND ONE OR MORE PARTIES, WHICH LEGALLY OR FINANCIALLY BINDS OR OBLIGATES THE COLLEGE. THE COLLEGE MAY ENTER INTO A CONTRACT WITH AN INDIVIDUAL PERSON, A BUSINESS, AN ORGANIZATION, A GOVERNMENT AGENCY, A COLLEGE OR UNIVERSITY, OR ANY OTHER LEGAL ENTITY. CONTRACTS ALSO INCLUDE PRE-CONTRACTUAL AGREEMENTS, WHICH ARE WRITTEN AGREEMENTS NOT INTENDED TO BE LEGALLY BINDING WHICH MAY INCLUDE LETTERS OF INTENT, MEMORANDUMS OF UNDERSTANDING (MOU), OR OTHER SIMILAR DOCUMENTS. FOR THE PURPOSE OF THIS PROCEDURE, CONTRACTS SHALL ALSO INCLUDE RENEWALS OR MODIFICATIONS OF EXISTING CONTRACTS, CERTIFICATIONS, FILINGS AND OTHER INSTRUMENTS EXECUTED AND DELIVERED IN CONNECTION WITH A CONTRACT OR IN CONNECTION WITH ANY LEGAL OR REGULATORY REQUIREMENTS.

Contract Amount: CONTRACT AMOUNT IS DETERMINED BY PROJECTING THE SUM TOTAL EXPENDITURES OR REVENUES OF THE COLLEGE ANTICIPATED UNDER A CONTRACT OVER THE ENTIRE CONTRACT TERM, AS DEFINED BELOW.

Contract Term: THE DURATION OF THE ESSENTIAL OBLIGATIONS OF THE COLLEGE UNDER A CONTRACT, EXCLUDING ANY PROVISIONS THAT MAY SURVIVE THE TERMINATION, SUCH AS CONFIDENTIALITY OR INDEMNITY OBLIGATIONS. ALL EXTENSION OR RENEWAL PERIODS PROVIDED FOR IN A CONTRACT SHALL BE INCLUDED IN THE CONTRACT TERM FOR PURPOSES OF THIS PROCEDURE IN ALL INSTANCES WHERE SUCH EXTENSIONS OR RENEWALS ARE AUTOMATIC, OR REQUIRE NOTICE OF NON-RENEWAL BY EITHER PARTY TO BE AVOIDED.

Contract Subject Matter: CONTRACT SUBJECT MATTER SHALL BE DETERMINED WITH REFERENCE TO THE COLLEGE DEPARTMENT THAT WILL BENEFIT FROM SUCH GOODS, SERVICES OR OTHER AGREEMENT AND/OR THAT OWNS AND GENERATES THE CONTRACT.

Authorized Representative: AUTHORIZED REPRESENTATIVE SHALL BE THE PRESIDENT, VICE PRESIDENT/CFO, CABINET MEMBER OR BUDGET OFFICER.

Finance/Capital Lease: A LEASE AGREEMENT WHERE THE LESSEE EFFECTIVELY CONTROLS AND USES AN ASSET WHILE ASSUMING MOST OF THE RISKS AND REWARDS OF OWNERSHIP, EVEN THOUGH LEGAL OWNERSHIP MAY NOT TRANSFER IMMEDIATELY. FINANCE LEASES OPERATE IN A MANNER THAT IS SIMILAR TO PURCHASING AN ASSET WITH DEBT.

Operating Lease: A LEASE AGREEMENT THAT ALLOWS A BUSINESS TO USE AN ASSET WITHOUT INCURRING THE HIGH EXPENSES INVOLVED IN PURCHASING. THE CONTRACT ALLOWS FOR AN ASSET'S USE BUT DOES NOT CONVEY OWNERSHIP RIGHTS. OPERATING LEASES FUNCTION SIMILARLY TO A RENTAL AGREEMENT.

Revision Log

Table 1 Revision Log

Version Number	Date Approved	Approved by	Description of Change
1	09/01/2017	Jim Choate, Vice President, Finance	New procedure
2	10/22/2019	Cabinet	Revised procedure to align with new Contract Management Procedure
3	10/22/2019	Cabinet	Procedure template
4	04/07/2026	Cabinet	Updated threshold for signatures and added lease language.