



HVERFORD COLLEGE

Contracting and Delegation of Authority Policy

Policy and Procedure Regarding Contract Approval, Signatory Authority, and Spending Limits

*Approved by the Audit Committee of the
Board of Managers April 26, 2013*

General

The authority to approve and sign contracts or other agreements on behalf of Haverford College rests with the authorized senior officers and managers identified in this policy. Renewals, extensions, amendments, and modifications to previously approved contracts should be approved and signed in accordance with this policy. The delegation of institutional signatory authority described herein also applies to all documents that obligate the College to activities involving federal sponsors, irrespective of the title or designation of the document; e.g. “proposals,” “award agreements” and “amendments” are all covered herein.

No person who is not an Authorized Signatory (defined below) may enter into binding contract negotiations, or approve or execute a contract on behalf of the College, without an explicit written delegation of authority from an Authorized Signatory who is their division head, department manager, or chair. Those signing without such authority may incur personal liability, and/or may be subject to discipline by the College, including termination.

Authorized Signatories

The President, Provost, and Senior Vice President for Finance and Administration are the primary Authorized Signatories for the College.

In addition, the following senior officers and managers of the College (herein, along with the President, Provost, and Senior Vice President for Finance and Administration, the “Authorized Signatories”) have the authority, with respect to contracts and agreements that relate to functions and operations within their respective administrative and business units, to: (a) approve and execute such contracts and agreements, and (b) to delegate approval and/or signatory authority to a subordinate officer or manager with an appropriate dollar-value, timeframe, contract-specific, or other limitations they deem appropriate.

- Department heads may approve contracts and delegate power to approve contracts up to \$20,000 as detailed in the College’s purchasing policy.
- The Director of Facilities Management and the Chief Information Officer (CIO) are authorized to approve contracts and delegate power to approve contracts up to \$50,000.
- The Associate Provost is authorized to approve faculty research grants and contracts, including federally-funded grants and contracts, up to \$1,000,000.
- The Vice President for Institutional Advancement (VPIA) is authorized to approve gift-related agreements and contracts and delegate power to approve gift-related agreements and contracts up to \$1,000,000.

With the exception of contracts signed by the Director of Facilities Management, CIO, Associate Provost, and VPIA per the bullet points above, any contracts over \$20,000 require the approval of the President, Provost, or Senior Vice President for Finance and Administration, and contracts over \$100,000 require two such approvals.

Contracts requiring special approval

Projects or agreements that significantly affect more than one division should have the approval of the division heads involved.

The following contracts require the approval and signature of the President, Provost, or Senior Vice President for Finance and Administration regardless of the dollar amount involved:

- New projects that have not been already approved as part of the budget process.
- New significant business relationships, such as a change in food service vendors, or an agreement to purchase all computers from a new vendor.
- Any contract or business relationship where either money or services is returned to the College, such as a fee for being permitted to do business on campus.

Delegation of Authority by Authorized Signatories

Contracts can be approved and signed by individuals who are not designated as “Authorized Signatories” in the preceding section only if, and to the extent, they have been given written authority to do so by an Authorized Signatory who is also their division head or department manager or chair. This authority is given only for contracts that directly impact or relate to the department of the person holding the signatory authority. Contracting authority can be delegated only to other managers; administrative assistants or other non-exempt personnel may not be given signing authority. All delegations of authority must be in writing, and must include a specification of the scope, terms, and limits of the delegation, including the dollar amount involved. The duration of a delegation should not exceed three years. A copy of the delegation must be sent within three (3) calendar days to the President, Provost, or Senior Vice President for Finance and Administration.

Unclear Delegations

In cases where the authority to bind the institution or delegate authority may be unclear, an individual should seek specific guidance from the President, Provost, or Senior Vice President for Finance and Administration in advance of executing any contract or delegating authority.

Delegation Management

As a matter of sound governance, any senior administrative leadership change should precipitate a review of all existing delegations.

Each department is responsible for managing and monitoring its departmental delegations of authority. This includes maintaining official files of all delegations of authority and conducting annual reviews of all delegations to ensure that they are revised as necessary.

Conflicts of Interest

It is the responsibility of all College employees to ensure that the College does not knowingly enter into contracts that present conflicts of interest. College officials must accordingly exercise their authority in a manner consistent with applicable conflict-of-interest policies. These policies are maintained by the Office of the President and require periodic affirmation by Authorized Signatories. If a conflict arises, an official who otherwise has contract negotiation and/or approval and signatory authority must disclose the conflict promptly to their supervisor before entering into contract negotiations or before revising, approving or signing a contract, and must excuse themselves from any involvement in the contract. The supervisor shall assume responsibility for the contract or arrange for the appointment of a substitute responsible administrator.

[SAMPLE] DELEGATION OF AUTHORITY AGREEMENT

To *[Identify person]*:

By means of this letter, I *[name and title]* hereby delegate the authority described herein to the *[position title]* on the following terms and conditions.

- I. The *[title]* may review and execute on my behalf, contracts in an amount and duration not to exceed *[dollar limit]* and *[X period of time for contract, not delegation]*.
- II. The contracts subject to this delegation are *[X]* type of contracts. That includes those relating to *[describe nature of contracts as specifically as possible]*. Specifically this includes *[X name of contract]* but does not include *[Y name of contract]*.
- III. The effective date of this delegation is *[month, day, year]* and this delegation shall run for *[X weeks/months/years]* OR until revoked by the delegating official or their successor.
- IV. The authority that has been delegated cannot be further delegated. No sub-delegation is permissible.
- V. This delegation is made pursuant to—and subject to—the Haverford College Contracting and Delegation of Authority Policy.

Name of Delegating Official

Title of Delegating Official

Name of Delegate

Title of Delegate

By signing this agreement letter, I acknowledge that I have read, understand, and agree to all elements of both this letter and Haverford College Contracting and Delegation of Authority Policy.

Signature of Delegating Official

Date