

PURPOSE:

Establish a policy and procedure for the execution, enforcement, and signatory authority for all contracts for Liberty University and its subsidiaries.

SCOPE:

This policy and procedures document applies to all of Liberty University and its subsidiaries.

DEFINITIONS:

This policy uses the term **'contract'** to mean any agreement, written or oral, that creates an obligation, right, or liability for Liberty University. An agreement may be a binding contract even though one party provides something of value to the other party at no charge. This policy applies to the initial contract and to every amendment, renewal or extension of such a contract.

Examples of University contracts include, but are not limited to: agreements for the purchase, lease, or rental of goods or services; deeds; nondisclosure agreements; agreements that set terms for acceptance for gifts; a sale, lease, or donation of University goods or services; liability waivers; clinical service agreements; athletic agreements; settlement of disputes; licenses; memoranda/letters of understanding or cooperation; contracts with hotels, convention centers or other facilities which require a written agreement; instructional agreements; assignment of the right of a person, group, or agency to use the University's name, logo or resources; etc.

POLICY:

Administrative Review

Individuals wishing to enter into negotiations for contracts such as those described above must have the cooperation and approval of every division or department which may be directly or indirectly implicated in performance of the contract.

The employee initiating the contract is responsible for reading the contract entirely and determining that:

- the contract language is clear and consistent, and accurately reflects the current state of negotiations;
- the contract meets programmatic requirements and the mission of the University;
- they can ensure compliance with the obligations the agreement places on the University;
- they have consulted with all divisions or departments affected by the contract; and
- the contract terms have been approved by the appropriate vice president.

All contracts require the review of the Procurement Department and may also go through legal review before being finalized. The Procurement Department reserves the right to solicit additional bids for goods and services and is responsible for the final selection of vendors. Legal reviews may be required for legal form including, but not limited to, appropriate designation of parties, legal consideration (i.e., mutual obligations), jurisdiction, term and liability.

The administrative review process will be documented in the BuyLU Contract record through the approval workflow.

Authority to Sign and Execute Contracts

As established by the Board of Trustees, the authority to sign contracts rests with the President and Chief Financial Officer (CFO). Unauthorized signers are in violation of this policy and can be held personally responsible for any obligation under the contract. Such actions may also result in disciplinary action, including termination.

Delegation

The President and CFO have delegated signatory authority at defined levels to the Director of Procurement and Procurement Officers. In a limited number of instances the authority to sign ***a specific contract*** may be delegated to other officials of the University by either the President or the CFO. Such authorization will be documented by the delegator and forwarded to the Director of Procurement for retention.

RESPONSIBILITY:

The President and Chief Financial Officer are the only individuals authorized by the Board of Trustees to sign and execute contracts on behalf of the University. The President and CFO have further delegated this authority to Director of Procurement.

Director of Procurement has primary responsibility for administering this policy, establishing and maintaining University procedures associated with contracts, as well as providing training for all procurement personnel. The Director of Procurement has the authority to sign and execute contracts up to \$100,000, or as delegated by the President or CFO. The Director of Procurement may also delegate, as necessary, this responsibility to Procurement personnel.

Procurement Officers (Managers) have the authority to sign and execute contracts up to \$100,000 or as delegated by the Director of Procurement.

PROCEDURE:

Submission

- The original of any contract proposal should be attached to the contract request form in BuyLU Contracts. Include any supplementary information to support the contract as an attachment to the contract at the time of submission. Because the Procurement

Department is responsible for the final selection of vendors, it is recommended that the organization(s) review all documents with the Procurement Department before submitting the contract for administrative review.

- If a financial obligation to the University is a part of the contract, a requisition must be submitted for the **full value of the obligation**. This should be done once all routing signatures have been obtained. No contract will be signed and executed until a requisition has been submitted and approved.

Execution

- After a contract has successfully been through the Administrative Review process and the requisition tied to the contract has been submitted and approved, the contract will be signed by the appropriate University officer.
- The original signed contract will be submitted to the vendor by the Purchasing Department. Once all parties have signed the contract, the Contract Office will retain the original contract and forward a copy to the affected organization(s).

AUTHORIZED BY:

President, Jerry Falwell, Jr.

Reconfirmed, July 2010

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