

## **Procurement, Contract, and Signature Authority Policy**

### **Issuing Office**

Office of the Chief Financial Officer (CFO)

### **Affected Parties**

This Procurement, Contract, and Signature Authority Policy (this "**Policy**") applies to Liberty University, Inc. (the "University") and those entities or organizations which the University either wholly-owns or maintains a majority-controlling interest (collectively, the "**Subsidiaries**," or individually, a "**Subsidiary**"), unless otherwise excepted by the Liberty University Board of Trustees (the "**Board**").

### **Policy**

The University's President is the chief executive officer of the University and, subject to limitations as may be imposed by the Bylaws of the University or Board policy, is vested with all authority, powers, duties, and responsibilities incident to the management and control of the University and its properties in furtherance of the University's interests, including the authority to execute bonds, mortgages and other Contracts (defined below) in the name of and under the seal of the University. The Chief Financial Officer ("**CFO**") of the University is also authorized to execute Contracts in the name and on behalf of the University, subject to such limits as may be established from time to time by the Board. The President and CFO act on behalf of the University in matters related to the University's Subsidiaries. Subsidiaries are owned or controlled by the University, but are not directly overseen by the Board. Subsidiary governing bodies, officers, and managing members have the authority to approve Subsidiary Contracts in accordance with the Subsidiary's governing documents, resolutions, or policies, and provided such Contracts are consistent with the limitations of this Policy.

The Board's Signature Authority Policy ("**Signature Policy**") directs the President and CFO to cause the University and the Subsidiaries to adopt or update written procurement and signature authority policies. This Policy sets forth the standards to be adopted by the University and each Subsidiaries' governing body.

### **Delegation**

The Signature Policy permits the President and CFO to delegate their individual authority to approve and enter into University Contracts, provided that the delegations are in writing (including pursuant to a written policy), define the scope of the authority and are recorded in the records of the University.

Subject to the limitations of this Policy, the President and CFO hereby delegate primary contracting and procurement administration authority for University Contracts to the Chief

Procurement Officer (“**CPO**”). The CPO has primary authority and management over the University’s Procurement and Contract Administration Department (“**Procurement**”). The CPO is also responsible for establishing University procedures consistent with the Signature Policy and this Policy and for providing staff training on this Policy and associated procedures. The CPO may further delegate such authority to Procurement personnel, subject to approval by the CFO. The President and CFO may make additional delegations of their authority to approve and enter into University Contracts, provided such delegations are in writing (to include text message, e-mail, or other electronic means), define the scope of the authority, are recorded in the records of the University, and are consistent with financial and subject matter thresholds of the Signature Policy.

Except as otherwise provided in this Policy, the CFO retains primary contracting and procurement administration oversight authority with respect to all Subsidiary Contracts.

### **Contract Approval and Signature Authority**

This Policy applies to all stages of a Contract’s lifecycle, including negotiations, ratification, enforcement, amendments, renewals, or extensions. It is a violation of this Policy to sign, accept (whether orally or in writing), or perform any Contract before it is administratively reviewed and approved in accordance with this Policy (or in the case of a Subsidiary Contract, in accordance with the policies or limitations applicable to that Subsidiary, as provided below), and may result in the individual being subject to damages and disciplinary action, including termination of employment.

Pursuant to the Signature Policy, certain matters and transactions require preapproval from the Board. Except where expressly reserved to the Board, the President and CFO are authorized to approve and execute University Contracts with third parties, and to act on behalf of the University in matters related to the University’s interest in Subsidiaries and Subsidiary Contracts.

#### University Contracts

The Office of Risk Management (“**ORM**”) must approve all University Contracts prior to execution. Subject to ORM approval, the CPO and Procurement are authorized to approve and execute individual University Contracts with a value of \$100,000 or less.

Any University Contract with a value greater than \$1,000,000, or that involves new construction or substantial renovations to real estate, must be approved by the Office of Legal Affairs (“**Legal Affairs**”). Legal Affairs must also approve any University Contract relating to settlement of the University’s legal disputes, including the engagement of outside counsel, arbitrations, mediation agreements, and settlement agreements. Execution of engagement letters with outside counsel must be executed by the General Counsel. Individual University Contracts or successive purchases from the same vendor, with a cumulative value greater than \$1 million in any one fiscal year must be approved by the President; if greater than \$2 million, then by both the President and CFO.

It is the responsibility of the CPO, and as may be delegated to Contract Administrators or other Procurement staff, to review every University Contract for compliance with this Policy and the Signature Policy to confirm whether the Contract requires preapproval from the Board, President, CFO, ORM, or Legal Affairs.

University Contracts for transactions not otherwise reserved to the Board or expressly referenced by this Policy must be submitted to Procurement for review and approval in accordance with Procurement's published procedures.

### Subsidiary Contracts

The University, in its capacity and discretion as member/shareholder of the Subsidiary, will cause Subsidiaries to adopt written procedures, whether by resolution, policy, or amendment to the Subsidiary's governing documents, requiring University (in its capacity as the member or shareholder) preapproval for:

- (a) any Subsidiary Contract with a value greater than \$100,000, unless the Subsidiary is otherwise exempted from this threshold at the discretion of the University's President, in coordination with CFO and CPO, after considering the operations and any internal controls of the Subsidiary and the potential for violations of the Signature Policy; and
- (b) any Subsidiary Contract regardless of value, that:
  - i. has the potential for significant negative impact on the Subsidiary or the University or their mission or reputation, as determined by the University,
  - ii. binds the Subsidiary for a multi-year term greater than five (5) years (or such other periods as may be determined by the University,
  - iii. will likely lead to a material violation of the Subsidiary or University's compliance with existing debt covenants or agreements with a financial institution, as determined by the University, or
  - iv. relates to the settlement of legal disputes, the engagement of outside counsel, arbitrations, mediation agreements, new construction, or substantial renovations to real estate.

University will evaluate Subsidiary Contract approval requests in the same manner as University Contracts above, except that ORM must approve all Subsidiary Contracts with a value greater than \$100,000 (unless ORM review is exempted for a particular Subsidiary by the University, as set forth above).

It is the responsibility of the CPO and Procurement, on behalf of the University in its capacity as a member/shareholder of the Subsidiaries, to: (i) verify that the Subsidiaries' governance of procurement and contract actions are consistent with this Policy and the procedures enumerated in Procurement's published procedures; and (ii) notify the President and/or CFO of instances of non-compliance with this Policy and the Signature Policy.

Any University division or Subsidiary seeking to have a standardized template created must first contact Procurement to develop such template in conjunction with Legal Affairs and ORM.

## **Administrative Review**

### University Contracts

The administrative review and workflow approval process for University Contracts is documented using "**BuyLU Contracts**," a module within the University's eProcurement System ("**BuyLU**"). All Contracts subject to Procurement review and approval must be submitted to BuyLU Contracts pursuant to Procurement's published procedures.

In addition, all University divisions and departments must follow the BuyLU standardized Contract and procurement approval workflow procedures that utilize financial thresholds consistent with the requirements of this Policy and other applicable University policies. Procurement will not review or approve any Contract until the proponent obtains the approval of every division or department, including the appropriate Vice President(s), directly or indirectly impacted by the proposed Contract.

Depending on the subject matter of the Contract, approval from other University departments may be required, including Legal Affairs, ORM, and Information Services, as determined by Procurement and this Policy.

After the administrative review and workflow approval process is complete and the Contract has been approved by Procurement, the Contract will be signed by the President, CFO, or CPO in accordance with this Policy.

### Subsidiary Contracts

University, as member/shareholder of the Subsidiary, will direct Subsidiaries to follow contract and procurement administrative review and workflow approval processes that are consistent with this Policy and Procurement's published procedures, and to coordinate with the University, including the CPO and Procurement, to ensure appropriate contract and procurement procedures are in place to comply with the financial thresholds and other requirements of the Signature Policy and any other applicable University policies.

Subsidiary Contracts must be documented using the system and processes designated by the Subsidiary, in consultation with the CPO and Procurement. After the administrative review and workflow approval process is complete and, if applicable, the Subsidiary Contract has been approved by the University as a member/shareholder, the Subsidiary's authorized signatory may sign the Contract.

## **Policy Rationale**

The purpose of this Policy is to ensure that all Contracts and procurement procedures align with the University's mission and reflect responsible stewardship. This Policy establishes financial controls and consistent procedures for the execution and administration of all Contracts involving the University and Subsidiaries, in accordance with Board policy.

### **Definition of Glossary Terms**

As used herein, "**Contract**" means any agreement, whether written or oral, that creates an obligation, right, or liability, including purchase orders for the procurement of goods and services. An agreement may be a Contract even though one party provides something of value to the other party at no charge. Examples of 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 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; sponsored research agreements; assignment of the right of a person, group, or agency to use entity's name, logo or resources; etc. "**University Contract**" means a Contract to which the University is a party. "**Subsidiary Contract**" means a Contract to which a Subsidiary is a party.

### **Date Approved**

March 8, 2022

### **Updated**

April 21, 2023

### **Date for Review**

April 21, 2024

Approved by the Office of the CFO April 26, 2023