UNIVERSITY of NORTH DAKOTA
FINANCE & OPERATIONS POLICY LIBRARY

AGREEMENT OR CONTRACT AUTHORIZATION

Section 1, General
Policy 1.4, Agreement or Contract Authorization
Responsible Executive: VP Finance & Operations
Responsible Office: Controller/Policy Office
Issued: March 18, 2014
Latest Review / Revision: March 18, 2014

POLICY STATEMENT

Agreements or contracts binding the University of North Dakota (UND) require review per State Board of Higher Education (SBHE) policy and North Dakota University System (NDUS) procedure. Unless otherwise delegated by the president, review of agreements or contracts will be conducted by UND’s legal counsel, and signed by the president or appointed delegate.

Standard form agreements or contracts that are substantially equivalent to documents previously reviewed by UND’s legal counsel or other qualified person do not require review each time they are used or minimally altered. Departments must submit their contracts to the University’s legal counsel for review at least once in five years. Contracts should have the date of inception or first use and date of most recent review in the footer of the document.

REASON FOR POLICY

Pursuant to SBHE policy 840(1) and NDUS procedure 840(1), UND must ensure agreements or contracts involving UND, not otherwise exempt from review, are reviewed by the University’s legal counsel or other qualified person. To assist with compliance, responsibilities for reviewers and authorized signers are defined in this document.

SCOPE OF POLICY

This policy applies to:

- President
- Vice Presidents
- Deans, Directors & Department Heads
- Area Managers & Supervisors
- Faculty
- Staff
- Students
- Others

WEB SITE REFERENCES

This policy: http://und.edu/finance-operations/_files/docs/1-4-agreement-contract-authority.pdf
Policy Office: http://und.edu/finance-operations/policy-office.cfm
Vice President for Finance & Operations: http://und.edu/finance-operations/
 CONTENTS

Policy Statement .......................................................................................................................... 1
Reason for Policy .......................................................................................................................... 1
Scope of Policy .............................................................................................................................. 1
Web Site References ..................................................................................................................... 1
Related Information ....................................................................................................................... 3
Contacts ........................................................................................................................................ 3
Definitions ..................................................................................................................................... 3
Principles (overview) ..................................................................................................................... 4
Procedures ..................................................................................................................................... 4
  Required Review .......................................................................................................................... 4
  Signing an Agreement or Contract ............................................................................................... 5
  Delegation of Signing Authority ................................................................................................ 5
Responsibilities .............................................................................................................................. 5
Appendices (list) .............................................................................................................................. 5
Revision Record ............................................................................................................................ 5
RELATED INFORMATION

<table>
<thead>
<tr>
<th>NDUS Procedure 840 – Contracts</th>
<th><a href="http://ndus.edu/makers/procedures/NDUS/default.asp?PID=297&amp;SID=60">http://ndus.edu/makers/procedures/NDUS/default.asp?PID=297&amp;SID=60</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>UND Conflict of Interest – Forms and Policy</td>
<td><a href="http://und.edu/research/resources/conflict-of-interest.cfm">http://und.edu/research/resources/conflict-of-interest.cfm</a></td>
</tr>
<tr>
<td>UND Policy 2.11 – Purchasing Policies And Procedures</td>
<td><a href="http://und.edu/finance-operations/_files/docs/2-11-purchasing.pdf">http://und.edu/finance-operations/_files/docs/2-11-purchasing.pdf</a></td>
</tr>
<tr>
<td>UND Records Retention Schedule</td>
<td><a href="http://und.edu/general-counsel/records-management/retentionschedule.cfm">http://und.edu/general-counsel/records-management/retentionschedule.cfm</a></td>
</tr>
</tbody>
</table>

CONTACTS

General questions about this policy can be answered by your department’s administrative office. Specific questions should be directed to the following:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Telephone</th>
<th>Department Email / Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Content &amp; Clarification</td>
<td>Associate VPFO</td>
<td>(701) 777-2015</td>
<td><a href="mailto:financeandoperations@und.edu">financeandoperations@und.edu</a> <a href="http://und.edu/financeoperations/associate-vp/">http://und.edu/financeoperations/associate-vp/</a></td>
</tr>
<tr>
<td>Legal Review of Documents</td>
<td>Office of General Counsel</td>
<td>(701) 777-6345</td>
<td><a href="http://und.edu/general-counsel/">http://und.edu/general-counsel/</a></td>
</tr>
<tr>
<td>Records Retention Schedule</td>
<td>Office of Records Managements</td>
<td>(701) 777-6797</td>
<td><a href="http://und.edu/general-counsel/records-management/">http://und.edu/general-counsel/records-management/</a></td>
</tr>
<tr>
<td>Sponsored Awards</td>
<td>Grants and Contracts Administration</td>
<td>(701) 777-4151</td>
<td><a href="mailto:und.grantscontracts@research.und.edu">und.grantscontracts@research.und.edu</a> <a href="http://und.edu/research/grants-and-funding/">http://und.edu/research/grants-and-funding/</a></td>
</tr>
</tbody>
</table>

DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting Position</td>
<td>Persons in acting positions have the signature authority of that position only if the delegation has specified such authority in writing. Individuals in acting positions are traditionally limited to a specific period of time.</td>
</tr>
<tr>
<td>Agreement or Contract</td>
<td>A document with specific terms between UND and one or more external entities in which a promise to do something in return for a valuable benefit known as consideration. Contractual agreements can be called many things including but not limited to contracts, agreements, leases, memorandums of understanding (MOU), memorandums of agreement (MOA), etc.</td>
</tr>
<tr>
<td>Authorized Signer</td>
<td>Written permission authorizing a specific individual the ability to sign a contract or agreement binding the University to the document’s terms and conditions.</td>
</tr>
<tr>
<td>Authorized Users</td>
<td>Written permission authorizing individuals to approve payments for purchases.</td>
</tr>
<tr>
<td>Delegated Authority</td>
<td>Written permission granted to a designated representative to sign contractual...</td>
</tr>
</tbody>
</table>
Interim Position

Persons in interim positions have the signature authority of that position.

NDUS

North Dakota University System – The unified system of higher education governed by the State Board of Higher Education.

Qualified Person

A person given the authority to review an agreement or contract.

SBHE

State Board of Higher Education – The policy setting and advocacy body for NDUS and the governing body for the North Dakota’s publicly supported colleges and universities.

Signing Authority

Authorization to sign a contractual agreement binding the University to the agreement’s terms and conditions.

PRINCIPLES

OVERVIEW – Agreements or contracts binding UND require review per SBHE policy and NDUS procedure. Unless otherwise delegated by the president, review of agreements or contracts will be conducted by the UND’s legal counsel, and signed by the president or appointed delegate.

Standard form agreements or contracts that are substantially equivalent to documents previously reviewed by the UND’s legal counsel or other qualified person do not require review each time they are used or minimally altered. Departments must submit their contracts to the University’s legal counsel for review at least once in five years. Contracts should have the date of inception or first use and date of most recent review in the footer of the document.

Pursuant to SBHE policy 840(1) and NDUS procedure 840(1), UND must ensure agreements or contracts involving UND, not otherwise exempt from review, are reviewed by UND’s legal counsel or other qualified person. To assist with compliance, responsibilities for reviewers and authorized signers are defined in this document.

Authorized users for processing payments are not the same as authorized signers for agreements or contracts.

Failure to comply with University policy regarding contractual agreements may result in personal liability and disciplinary action.

PROCEDURES

Required Review

All contractual agreements involving UND must be reviewed by UND’s legal counsel or other qualified person prior to being signed by a person with signing authority.

Standard form agreements or contracts that were reviewed by the University’s legal counsel at inception do not need review by legal counsel each time the contract/agreement is used. Rather, departments must submit their contracts to UND’s legal counsel for review at least once in five years. The department is responsible for documenting the legal counsel approval. Contracts should have the date of inception or first use and date of most recent review in the footer of the document.

All standard form agreements/contracts documents must be distributed with the date of inception or first use and date of most recent review in the footer of the document. Current standard form contract/agreements are:

- Purchase orders
- Employment contracts
- Purchase for service contracts on the Purchasing website: Consultant Agreement, Guest Speaker Contract and Personal Service Contract
Review of the following contracts or agreements has been delegated to authorities other than UND’s legal counsel:

- Software purchases under $5,000 with standard click through form (Department)
- Sponsored awards (Grants and Contracts Administration)

**Signing an Agreement or Contract**

The president has delegated signing authority to particular positions based upon the type of contractual agreement and amount. The delegation does not eliminate the requirement for the review by UND’s legal counsel or other qualified person (see Required Review section above).

Persons in interim positions have signing authority of that position. Persons in acting positions have signing authority of that position only if the delegation is specified in writing.

No individual delegated signing authority may sign an agreement or contract that places that person in a conflict of interest or gives the appearance of being in a conflict of interest.

The UND Records Retention policy must be followed for proper retention and disposal of all contracts or agreements.

A schedule of delegations may be found in Appendix 1.

**Delegation of Signing Authority**

Any further signing authority delegation beyond the president’s delegation pursuant to this policy must be submitted in writing to the originating authority identified in Appendix 1.

**RESPONSIBILITIES**

<table>
<thead>
<tr>
<th>President</th>
<th>▪ Sign contracts or agreements or delegate authority to do so.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice Presidents</td>
<td>▪ Sign contracts or agreements in accordance with this policy, or delegate authority to do so.</td>
</tr>
<tr>
<td>Deans, Directors, Chairs, and Managers</td>
<td>▪ Sign contracts or agreements in accordance with this policy, or delegate authority to do so.</td>
</tr>
<tr>
<td>Department</td>
<td>▪ Review software purchases under $5,000 with standard click through form as delegated.</td>
</tr>
<tr>
<td>Grants and Contracts Administration</td>
<td>▪ Review sponsored awards as delegated.</td>
</tr>
</tbody>
</table>
| UND’s Legal Counsel | ▪ Review contracts and agreements.  
▪ Sign contracts or agreements in accordance with this policy, or delegate authority to do so. |

**APPENDICES**

| Appendix 1 – Contractual Signature Policy Website | http://und.edu/finance-operations/associate-vp/signature-policy.cfm |
## REVISION RECORD

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Person/Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/12/2013</td>
<td>Impact Statement Endorsed</td>
<td>President’s Cabinet</td>
</tr>
<tr>
<td>03/18/2014</td>
<td>Policy Implementation</td>
<td>Signed by President Robert O. Kelley</td>
</tr>
</tbody>
</table>