

Contract Approval and Signature Authority Policy

Approved by: President

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Related Policies: SUNY 7553 Purchasing and Contracting; 7558 Procurement Card Policy and Guidelines; Public Officers Law §74

Additional References: NYS State Finance Law Article 11 (§§160 -168) State Purchasing; NYS Public Officers Law: Article 4 - (§§60 - 79) Powers and Duties of Public Officers

Responsible Official: Vice President for Finance and Management

I. Policy Overview:

To conduct the university's functions of teaching, research and service, it is sometimes necessary to enter into legally binding agreements ("contracts") with other entities. The university will only be bound by written contracts to which the university or a subunit is formally a party, that have been reviewed and approved in accordance with this policy, and that have been executed by university officials who have specific contract signature authority. No officer or member of the university community has the authority to sign contracts on behalf of the university, or any program, department or division of the university, in the absence of a formal written delegation of authority. This policy describes the university's contract review and approval requirements and the protocols for the delegation of signature authority. This policy applies to all members of the university community. This policy does not pertain to employment contracts, appointments and SUNY Research Foundation contracts.

II. Definitions:

A. Contract means any agreement between two or more persons that creates a legally binding obligation to do or not to do a particular thing. A contract may or may not involve the payment of money. This policy applies to any document that obligates the university, irrespective of the terminology used to describe that document. Types of documents that constitute contracts include, but are not limited to: academic agreements; affiliation agreements; assignments; business agreements; material transfer agreements (MTAs); memoranda of understanding (MOUs); memoranda of agreement; non-disclosure agreements (NDAs); promises to pay; promissory notes; purchase orders; riders or addenda to existing contracts; separation agreements; settlement agreements; and waivers.

B. Business Contract includes the following types of contracts: deeds; leases; construction agreements; agreements with software consultants, for computer hardware, or for telecommunication services; contracts with vendors for purchase of materials, equipment or services; procurement agreements; financing agreements; independent contractor/consultant agreements (except when part of a research contract); and agreements with temporary employment agencies.

C. Academic Affiliation Agreements: For memoranda of understanding or agreements regarding academic operations (for example, affiliation agreements between university schools and external agencies such as hospitals, social agencies or school systems; or collaboration agreements with other universities) approval is required by the president, vice president for finance and management or their designees. Such agreements may also require review by the SUNY Office of General Counsel. If an Academic Affiliation Agreement involves a commitment of university funds, it also is a Business Agreement and follows the applicable process for such agreements.

D. Contract Initiator means the individual who proposes to enter into contract negotiations with a non-university individual or entity. Contract Initiators must be university employees who have undergone procurement training, and may not be students or student employees.

E. Renewals, extensions, amendments and modifications to previously approved contracts should be approved and signed in the same manner as the original contracts.

III. Policy Requirements:

Except where a specific, written exception applies, the following requirements apply to all contracts. If, after reviewing this policy, you are uncertain about the review and approval process or requirements for a particular type of contract, contact the Purchasing and Accounts Payable Office.

A. Preliminary Review by Contract Initiator

Contract Initiators are responsible for conducting a preliminary review of proposed contracts. Prior to submitting a contract for required review and approval as described below, the Contract Initiator must read the entire contract to confirm that the contract:

1. is clear and consistent;
2. is complete and accurately reflects the intentions of the parties;
3. is consistent with university mission and is in the best interests of the university;
4. does not include a provision for assumption of sales tax by the university;
5. does not include a provision for automatic renewal of the contract; and
6. does not contain requirements with which the university cannot comply.

When a contract also involves a purchase, the Contract Initiator must follow the requirements of the university's Procurement Policy and/or Procurement Card Policy.

B. Administrative Review and Approval Following preliminary review by the Contract Initiator, all contracts must undergo further administrative review and approval as set forth below:

1. Contracts must be sent to the Purchasing and Accounts Payable Office for review.
2. SUNY's Office of General Counsel may be asked to review contracts.
3. In addition to the University's approval, contracts may require approval of specific SUNY officers and the Offices of the New York State Attorney General and State Comptroller.

C. Contract Signature Authority

Only the president is authorized to enter into contracts, deeds, or leases between the university and another party. The president, however, is permitted to delegate this responsibility to appropriate university officials as follows:

Vice president for finance and management has the authority to sign contracts, deeds or leases arising out of the normal business operations of the university.

Additional, limited delegations of contract signature authority may be made by the president and the vice president for finance and management. All delegations of signature authority must be in writing and entered onto the New York State Office of the State Comptroller Bureau of Contracts Authorized

Signature Form. Copies of all such written delegations must be provided to the Office of the State Comptroller.

D. Retention of Signed Contracts

A copy of signed business contracts, MOUs and affiliation contracts are to be maintained by the Purchasing and Accounts Payable Office.

NO OFFICER OR MEMBER OF THE UNIVERSITY COMMUNITY MAY SIGN OR OTHERWISE EXECUTE A CONTRACT THAT BINDS THE UNIVERSITY OR ITS SUBUNITS UNLESS HE/SHE HAS BEEN DELEGATED SIGNATURE AUTHORITY THAT HAS BEEN DOCUMENTED IN WRITING AND IS ON FILE AS SET FORTH IN THIS POLICY. CONTRACTS SIGNED BY OFFICERS OR EMPLOYEES WITHOUT DOCUMENTED SIGNATURE AUTHORITY MAY BE DEEMED VOID. INDIVIDUALS IN SUCH CIRCUMSTANCES MAY BE PERSONALLY LIABLE FOR THE OBLIGATIONS ASSUMED UNDER SUCH CONTRACTS PER THE UNIVERSITY'S EMPLOYEE INDEMNIFICATION POLICY, AND ARE SUBJECT TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

Managers and/or supervisors are responsible for communicating this policy to all staff members and for enforcing its requirements.