

TRINITY INTERNATIONAL UNIVERSITY

TIU POLICY: **Signature and Contract Authorization Policy**

TIU POLICY #: **P-105**

STATUS: **Approved, October 2008**
 Updated, July 2017

I. PURPOSE:

To specify policy for authorizing individuals to approve the expenditure of funds on behalf of Trinity International University (University), to bind or commit the University in any contractual agreements, extend guarantees on the behalf of the University, or commit the University in any other duty-to-perform arrangement.

II. SCOPE:

This policy applies to all employees and extends to the following areas of authorization:

- A. Authorization of individuals to approve the expenditure of University funds. This includes extending signature authorization for the approval of the:
 - 1. Commitment of University funds, including:
 - a. Placing orders in the buying process
 - b. Requesting purchase orders
 - 2. Disbursement of University funds, including requests for:
 - a. Payment of invoices
 - b. Payment to employees
 - c. Payment to students
 - d. Payment of any stipend or honorarium
- B. Authorization of individuals to bind or commit the University in contractual arrangements. This includes contractual arrangements with:
 - 1. Employees
 - 2. Students
 - 3. Donors (including organizations offering institutional grants or sponsored projects or programs)
 - 4. Banks, investment/brokerage firms, and credit card companies
 - 5. Any third party vendor, service provider or government agency
- C. Authorization of individuals to extend guarantees on the behalf of the University, or commit the University in any other duty-to-perform arrangement.

III. POLICY:

A. Commitment and Disbursement of University Funds

1. The Board of Regents has delegated signature authority for approving the expenditure of University funds. Commitment of University funds or request(s) for payment are authorized at the following levels:
 - a. For the President and Chief Financial Officer (CFO): \$500,000
 - b. For University Leadership Team (ULT) members: \$20,000
2. For operational efficiency, the authority delegated to ULT members in item 1 above may be further delegated by ULT members to employees in their areas of oversight having departmental or equivalent responsibility.
3. Delegation of signature authority must be communicated to the Business Office.
4. All requests for payment are required to have two signatures. There is no dollar threshold exempting the requirement for two signatures.
5. Any commitment of University funds for \$5,000 or more, or request for payment of \$5,000 or greater must have a ULT member's signature, i.e. a designee of the ULT member will not be accepted as the second signature.
6. In no case will proxy signatures, typed signatures or stamped signatures be accepted. However, initials will be accepted.
7. Where the signature of a "higher authority" is required on a document (e.g. employee expense reimbursements), the signature authorization cannot be delegated. The CFO is granted signature authority to approve the expense reports of the President.
8. All requests for payment must be accompanied by documentation evidencing support for the disbursement being made.

B. Binding/Committing the University in Contractual Arrangements, Guarantees, and Duties to Perform

1. The Board of Regents has delegated authority to bind/commit the University to contractual agreements, guarantees, and duties to perform. Such arrangements are authorized at the following levels:
 - a. For the President and CFO: \$500,000
 - b. For University Leadership Team (ULT) members: \$20,000
2. The delegated authority extended to members of the ULT may only be further delegated to an individual for contracts less than \$5,000.
3. All proposals or agreements for grants, sponsored projects and programs gifted to the University require the signature of the applicable Dean as well the CFO.
4. All proposals or agreements for grants, sponsored projects and programs received by the University that are not receipted as a gift due to the nature of the individual or organization extending the funds, require the signature of the applicable Dean.
5. All University agreements for construction or architectural/engineering design services for Board of Regent approved facilities require the approval of the CFO or a delegate of the CFO.
6. Any lease of non-university facility or space requires the approval of the President or ULT member overseeing the department seeking to enter into a lease of greater than \$5,000.
7. No bank account, investment account, or any other depository account may be opened without the approval of the CFO.

8. No credit card account may be opened, or credit arrangement entered into, without the approval of the CFO.
9. All other contracts, guarantees, and duty to perform arrangements require the signature of the President or ULT member overseeing the applicable department.

C. Signature Authority – Responsibility in Delegation

1. Signature authority is not automatically delegated to new University employees. Aside from members of the ULT, signature authority is delegated to individuals, not to positions.
2. Members of the ULT are responsible for initiating new and changed signature authorization requests for their areas. ULT members are also responsible for initiating requests to remove employees from the authorized signature list.
3. The Business Office will maintain lists of authorized signatures.

D. Signature Authority – Responsibility for Review

1. Personnel Documents – Human Resources has the responsibility for ensuring that authorized signatures are present on personnel documents.
2. Payroll Documents – Human Resources has the responsibility for ensuring that authorized signatures are present on payroll documents.
3. Purchase Order Requests – The Business Office has the responsibility for ensuring that authorized signatures are present on purchase orders.
4. Check Requests – The Business Office has the responsibility for ensuring that authorized signatures are present on check requests.

E. Remedy for Non-Compliance

Only persons to whom signature authority has been expressly delegated may commit University funds or enter into contractual agreements, guarantees or other duty-to-perform arrangements. If an unauthorized person attempts to commit the University in any of the above, the University may consider the effort null and void and decline payment on any invoice or remedies sought. In such cases, the supplier or other party may look to the unauthorized individual for payment or remedy. Likewise, the University may, at its discretion, pursue disciplinary action against the unauthorized individual for such actions, or for attempting to disburse University funds without proper authorization.