

620 CONTRACT APPROVAL, SIGNATORY, AND REPORTING POLICY

Policy 620 was included in the 2001 Handbook revision and was substantially amended by the ISU Board of Trustees on December 18, 2009.

- 620.1 Approval and Signatory Authority.** The ISU Board of Trustees delegates authority to approve and sign certain common ISU contracts for budgeted expenditures and receipt of funds:
- 620.1.1 Construction Contracts.**
 - 620.1.1.1 Rehabilitation and Repair Contracts.** Contracts for rehabilitation or repair of ISU facilities with a total cost of under \$750,000 require approval by the ISU Purchasing Department and signature of an ISU Purchasing Department representative or Treasurer. Contracts for rehabilitation or repair of ISU facilities with a total cost of \$750,000 or higher require Board of Trustees and State of Indiana approval, as may be required, and signature of the Treasurer.
 - 620.1.1.2 New Construction Contracts.** Contracts for new construction with a total cost under \$500,000 require approval and signature of an ISU Purchasing Department representative or Treasurer. Contracts for new construction with a total cost of \$500,000 or higher require Board of Trustees and State of Indiana approval, as may be required, and signature of the Treasurer.
 - 620.1.2 Employment Contracts.** Employment Contracts require approval of the President and signature of the President.
 - 620.1.3 Contracts for Performers, Speakers, and Entertainers.** Contracts for performers, speakers or entertainers with a financial commitment by ISU of under \$50,000 require approval and signature of the responsible Cabinet Member. Contracts for performers, speakers, or entertainers with a total cost of \$50,000 or higher require approval of the President and signature of the Treasurer.
 - 620.1.4 Contracts for Goods and Services.** Contracts for goods and services not otherwise defined by Section 620.1 require approval and signature in accordance with the ISU Purchasing Policy.
 - 620.1.4.1 Exclusions.** Contracts for Collection Services require approval and signature of the Treasurer.
 - 620.1.5 Contracts for Insurance.** Contracts for insurance services require approval and signature of the Treasurer.
 - 620.1.6 Third Party Payment of Student Costs.** Contracts for the third party payment of student costs require the approval and signature of the Treasurer.
 - 620.1.7 Affiliation Agreements.** Affiliation Agreements are required to have the approval of the Provost or Treasurer. If the annual financial commitment is under \$50,000, then the Provost is authorized to sign the agreement. If the annual financial

commitment is \$50,000 or higher, then the Treasurer is authorized to sign the agreement.

620.1.8 Internships. Volunteer internship agreements require the approval and signature of the Dean of the College arranging or overseeing the internship. If a student will be compensated for participation in the internship, the student must also be a party to the contract. If ISU is a party to the internship agreement, the agreement requires the approval and signature of the Dean of the College arranging or overseeing the internship.

620.1.9 Sponsored Programs. Grants or contracts for third party funding of a University project not otherwise covered by this policy require the approval and signature of the Chief Research Officer.

620.1.10 Athletics.

620.1.10.1 Team Play. Contracts for team play are required to have the approval and signature of the Director of Athletics.

620.1.10.2 Advertising. Contracts for athletic advertising are required to have the approval of the Vice President of Student Affairs and signatory authority will be determined in accordance with contractual relationships.

620.1.10.3 Referees. Contracts for referees are required to have the approval and signature of the Director of Athletics.

620.1.10.4 Game Officials. Contracts for game officials are required to have the approval and signature of the Director of Athletics.

620.1.11 Real Estate.

620.1.11.1 Lease of Space. Contracts for the lease of University owned or operated real estate for a period of four (4) years or less, excluding the lease of space in conjunction with a contract for performers, speakers, or entertainers, require approval of the President and signature of the Treasurer. Contracts for the lease of University-owned or operated real estate that require bonding or are for more than a period of four (4) years require approval of the Board of Trustees and the State of Indiana and signature by the Treasurer.

620.1.11.2 Purchase or Sale of Real Estate. Contracts for the purchase or sale of real estate with a total sale amount of less than \$250,000 require the approval and signature of the Treasurer. Contracts for the purchase or sale of real estate with a total sale amount of \$250,000 or higher require the approval of the Board of Trustees and the signature of the Treasurer.

620.1.12 Contracts Not Covered. All other contracts not covered by a category listed above require review by the Office of the General Counsel for recommendation on approval and signature authority.

620.2 Other Issues.

620.2.1 Delegation of Statutory Authority. This policy operates to delegate contract power vested in the ISU Board of Trustees by statute to others.

620.2.2 Construction. This Policy shall be construed in conjunction with the ISU Purchasing and Receiving Policies and Procedures.

620.2.3 Statutory Limitations.

620.2.3.1 Statutory Authority for Facilities Projects. Authority for ISU to contract for professional or expert services, for new construction projects, to rehabilitate or repair capital facilities of the university, and to bond such projects is covered under a variety of Indiana statutes, and special rules apply to these situations. Special rules also apply to transactions relating to real estate, including leases, and to any transaction that would involve a sale of ISU assets.

620.2.3.1.1 Office of the General Counsel; ISU Treasurer.

Individuals with responsibility for these projects shall communicate and coordinate with the Office of the General Counsel and the University Treasurer.

Individuals are strictly prohibited from altering State property without appropriate approval.

620.2.3.2 Fees, Bonding, and Compensation and Benefits. Indiana law vests authority in the ISU Board of Trustees to approve any student fees, other fees, bonding, and issues relating to compensation and benefits of university employees. ISU employees are strictly prohibited from implementing any fees (except where authorization is delegated by the ISU Board of Trustees), bonding, or making any determinations relating to compensation and benefits that are not first expressly authorized by the ISU Board of Trustees.

620.2.4 Budgeted Expenditures. Any contract that binds ISU to an expenditure of funds previously approved through the departmental budgetary process is subject to the approval and signatory authority as set in Section 620.1.

620.2.5 Unbudgeted Expenditures. Any contract that binds ISU to an expenditure of funds that has not previously been approved through the departmental budgetary process must be approved by the Treasurer for verification of the funding source. The Treasurer's signature is required on the standard routing form prior to execution of the contract by ISU or of any change orders or amendments to the original contract. A 'notice to proceed' is considered a contractual commitment.

620.2.6 Delegation of Authority. Those individuals vested with signatory authority in Section 620.1 may delegate that authority for specific categories of contracts upon completion of the Signatory Delegation, a standard delegation form developed by the Office of the General Counsel. The delegation shall be specific as to the scope and limitations of the delegated authority and shall be limited to only those directly reporting to the delegator. Executed Signatory Delegation forms shall be maintained in

the Office of the General Counsel, and a delegation of signatory authority will not be effective unless the form has been forwarded in accordance with this policy.

620.2.7 Standard Routing Form. Contracts shall be routed through appropriate ISU departments for review in advance of final approval and signature. The Office of the General Counsel, with input from functional areas, shall develop a standard routing form for all contracts. The standard routing form shall generally include review by Risk Management, Business Affairs, and the Office of the General Counsel, and shall act as an information tool for Vice Presidents. The standard routing form shall be utilized for all agreements, except for those contracts subject to the Purchasing Policy and those contracts approved through Sponsored Programs.

620.2.7.1 Required Approvals. Required Approvals as set forth in Section 620.1 shall be noted on the standard routing form in advance of execution of a contract.

620.2.8 Additional Delegation of Signatory Authority by Board of Trustees. If an independent delegation of authority relating to a particular area or matter is vested in the Treasurer by the Trustees, then the Treasurer may act under such delegation of authority, reporting results to the Trustees at the next meeting following action taken by the Treasurer pursuant to such independent delegation of authority.

620.2.9 Reporting Requirement. All contracts entered into that do not require Trustee approval must be reported at the Trustee meeting following the date upon which the contract is entered into, with the exception of contracts falling under the ISU Purchasing Policy, which contains other reporting requirements. Persons initiating contracts must forward a copy of the executed contract to the Secretary of the University for inclusion in the Board of Trustees' materials.

Last revised February 1, 2011