Policy 1.2
Contract Approval and Signature Authority

Responsible Official: Senior Vice President and General Counsel
Administering Division/Department: Office of the General Counsel
Effective Date: January 01, 2006
Last Revision: August 06, 2012

Policy Sections:

I. Overview
II. Policy Details
III. Related Links
IV. Contact Information
V. Revision History

Overview

Defines the proper delegation of authority to execute contracts with external entities that bind Emory University and all legal entities under its control.

Policy Details

I. Introduction

The proper delegation of authority to execute contracts (including memoranda of understanding) with external entities that bind Emory University and all legal entities under its control, including Emory Healthcare (The Emory Hospitals, The Emory Clinic, Wesley Woods Center, Emory Children’s Center), and Emory Medical Care Foundation, (hereinafter “Emory”) is required to minimize financial, legal and related risks and to ensure that appropriate fiscal and management controls are in place for the betterment of the entire institution.

Individuals do not have the authority to enter into negotiations or approve or sign contracts with external entities on behalf of Emory unless there is: (1) authority as set forth in the Bylaws of the University or one of its corporate legal entities; (2) a resolution of the Board(s) of Trustees; (3) a valid delegation of authority from the President or other Emory official listed herein; or (4) a purchase made in accordance with Emory’s Purchasing Department Policies and Procedures. Although delegations of authority are essential to efficient and effective management, all delegating officials shall retain overall responsibility for matters or personnel under their supervision.

This policy supersedes any conflicting practice, policy, delegations, or guidelines. In addition to this policy, however, one should consult the specific bylaws or policies for the various subsidiaries of Emory University.

II. Bylaws

University Bylaw Authorizations

Pursuant to the University Bylaws, the following officers have the duties as outlined below and may delegate responsibility to execute contracts or sign agreements within any of these defined areas, unless otherwise prohibited by the Bylaws or the Board of Trustees.

President. The Bylaws provide that the President may execute all official papers, documents, contracts, and other written instruments necessary to carry on the administration of the affairs of the University and the work of the Board of Trustees.

Executive Vice President for Finance and Administration. The Bylaws provide that the Executive Vice President for Finance and Administration is responsible for all fiscal and nonacademic administrative operations of the
University. The Executive Vice President for Finance and Administration shall be authorized to execute all contracts, conveyances, and proxies in the name of the University and, in the President's absence or disability, to act in his or her stead on all nonacademic matters.

**Executive Vice President for Academic Affairs and Provost.** The Bylaws provide that the Provost is the principal academic officer of the University and shall act as the President's primary liaison with the deans and faculties on academic matters, including, but not limited to, faculty development and discipline, academic program development, evaluation and review, and strategic academic planning. The Provost is responsible for overall academic program management and support activities most closely tied to academic programs, is authorized to execute all contracts in his or her area of responsibility, and shall prepare the educational and general budget.

**Executive Vice President for Health Affairs.** The Bylaws provide that the Executive Vice President for Health Affairs is responsible for the coordination and the administration of overall academic and health services in the health related schools and divisions of the University. He or she directs the interrelationships of these schools and divisions with the affiliate hospitals, the faculty clinical practice plans, and Emory Healthcare, Inc., in the conduct of education, research, and patient care and is empowered to execute contracts in the name of the University within his or her area of responsibility.

**Vice Presidents.** The Bylaws provide that any Vice President shall perform all duties assigned by the President and shall be empowered to execute contracts on behalf of the University within his or her area of responsibility.

**Emory Healthcare Bylaw Authorizations**

Pursuant to Emory Healthcare’s Bylaws, the Chairman and Chief Executive Officer may execute all official papers, documents, contracts, and other written instruments necessary to carry on the administration of the affairs of Emory Healthcare and the work of the Board of Directors.

**The Emory Clinic Bylaw Authorizations**

Pursuant to The Emory Clinic’s Bylaws, the Director and Chief Operating Officer may execute all official papers, documents, contracts, and other written instruments necessary to carry on the administration of the affairs of The Emory Clinic and the work of the Board of Directors.

**Wesley Woods Center Bylaw Authorizations**

Pursuant to Wesley Woods Center’s Bylaws, the Chairman and Chief Operating Officer may execute all official papers, documents, contracts, and other written instruments necessary to carry on the administration of the affairs of the Wesley Woods Center and the work of the Board of Directors.

**Emory Children’s Center Bylaw Authorizations**

Pursuant to the Emory Children’s Center’s Bylaws, the President and Chief Executive Officer may execute all official papers, documents, contracts, and other written instruments necessary to carry on the administration of the affairs of the Emory Children’s Center and the work of the Board of Directors.

**The Emory Medical Care Foundation Bylaw Authorizations**

Pursuant to The Emory Medical Care Foundation Bylaws, the President may execute all official papers, documents, contracts, and other written instruments necessary to carry on the administration of the affairs of The Emory Medical Care Foundation and the work of the Board of Directors.

**III. Applicability and Scope**

This policy applies to all Emory employees (i.e., staff, faculty, administrative officers and work-study students) whether full-time or part-time. Independent contractors and consultants do not have the authority to bind the institution.

This policy governs all contractual agreements relating to commercial and non-commercial transactions, such as those involving goods, supplies, equipment, services, programs, and real property (i.e., purchases/sales and leases). It also covers contracts for the use of University facilities and contractual commitments of staff and faculty time. Oral agreements that will bind the institution or its resources are not authorized regardless of whether there is a monetary exchange.

This policy applies only to contractual agreements between an Emory entity and a third party (i.e., a non-Emory entity). This policy does not apply to internal memoranda of understanding or similar agreements that govern internal relationships between Emory entities.

**IV. Unauthorized Commitments or Agreements**

Individuals who enter into unauthorized agreements may be subject to disciplinary action, up to and including termination. With respect to faculty members, disciplinary action is subject to the Statement of Principles Governing Faculty Relationships. With respect to professional librarians, disciplinary action is subject to the Statement of Policies
V. Uniform Transactions

The following operating activities require uniform treatment across Emory for consistency in handling critical and sensitive matters. Therefore, matters involving or related to the following areas should be handled as outlined:

**Contractual Monetary Limits.** With the exception of capital projects and personnel agreements, as outlined below, all contracts whose obligations or related financial exposure in excess of $250,000 (single or in the aggregate) must be signed by the President or appropriate Executive Vice President(s) depending upon the nature of the proposed transaction (given the division of duties outlined above pursuant to the Bylaws), unless otherwise delegated. It is unacceptable to divide contracts for related purposes into multiple parts in order to circumvent this requirement.

**Procurement of Goods and Services.** The objective of Emory’s purchasing processes, exercised through the policies and procedures of the respective Purchasing Departments, is to identify, select and acquire needed goods and services as economically as possible within specified standards of quality and service. This should be done in an organized and timely manner that provides for accountability of Emory (University and Emory Healthcare) expenditures.

All Emory personnel are required to abide by Emory Purchasing Departments’ policies and procedures when requisitioning goods and services unless otherwise exempted under those policies and procedures.

**Personnel Agreements.** Personnel agreements (including offer letters and faculty recruitment letters), whether for faculty or staff, that exceed $250,000 in annual salary, must be approved by the President or the appropriate Executive Vice President.

**Research Administration.** Grants, contracts, and other agreements with terms and conditions for research, sponsored training, clinical trials, patents and licensing, technology transfer, and research compliance are the responsibility of the Vice President for Research Administration and must be approved and signed by the Office of Research Administration, the Office of Sponsored Programs, or the Office of Technology Transfer, as appropriate. Financial reports and cash management relating to research, sponsored training, and clinical trials must be approved and signed by the Vice President for Finance or the Office of Grant and Contract Accounting.

**Construction / Renovation Projects.** All construction and renovation projects or any project that would significantly alter the physical landscape of a building, either inside or outside, (e.g., moving walls, doors, or windows) or its operating systems (e.g., HVAC) must gain prior approval through the Office of the Vice President for Campus Services. All such projects must be completed according to the standard operating procedures and guidelines within Campus Services, in addition to the Capital Projects Approval Policy. Final approval for the expenditure of institutional funds on any project is subject to tiered monetary limits, as stated in the University Capital Project Approval Policy and the Emory Healthcare Project Policy, which are incorporated by reference into this policy. The Emory Healthcare Project Policy is subject to certain inclusions under the University policy.

**Emory Investment Management.** All matters pertaining to Emory University’s investments and endowment, including the contracts related to hiring and terminating external investment managers are handled exclusively by the Emory Investment Management in accordance with its approved policies and procedures.

**Real Estate Acquisition/Leasing.** All real estate acquisitions and/or leasing of property, whether Emory is a lessee or lessor, must be routed through the Office of the Executive Vice President for Finance and Administration.

**Software Licenses/Technology.** Software licenses and contracts for the purchase of IT resources in excess of $100,000 (single or in the aggregate) are to be negotiated through the Vice President for Information Technology and Chief Information Officer.

**Development/University Relations.** Any matter related to fundraising, alumni relations, marketing/communications and University relations, and transmittal of constituent records shall be governed by the Office of Development and University Relations (DUR) policies and procedures. All fundraising activities shall involve the Office of DUR. In particular, DUR’s Gift Acceptance Policy shall govern matters related to philanthropic donations, including gifts of appreciated assets, money, real estate, or other in kind gifts. In addition to DUR, and pursuant to DUR’s Gift Agreement Policy, all Emory fundraising and gifts shall involve the donor(s), the Dean(s) or Director(s) of the unit receiving the gift, the appropriate Executive Vice President, and in certain cases, coordination with the Office of the General Counsel.

**License and Use of Emory Trade Names and Marks.** Any proposed use of Emory’s trade names and marks by a party other than Emory must be submitted to the Office of General Counsel for initial review in accordance with the Emory Intellectual Property Policy, and subsequent approval(s) as the Office of General Counsel deems appropriate, including the President, Office of Development and University Relations, appropriate Executive Vice President(s), and/or the Board of Trustees.

**Tax Obligations.** Contracts for the provision of goods or services by Emory that fall outside Emory’s traditional research and education functions may give rise to tax payment obligations, and must be reviewed and approved by the appropriate Executive Vice President(s) in consultation with the General Counsel.
Legal Review. Any contract, with the exception of research agreements within the Office of Technology Transfer and Office of Sponsored Programs (which are subject to the policies stated herein for Research Administration) and personnel agreements, that (1) has rights or commitments extending for three or more years; (2) obligates the University to defend, indemnify or hold harmless the other party(ies); (3) seeks to limit the amount or types of liability of the other contracting party, its subcontractors, agents, or successors; or (4) contains choice of forum or alternative dispute resolution terms, must be reviewed by the Office of the General Counsel.

VI. Conflicts of Interest

It is the responsibility of all Emory representatives to ensure that Emory does not knowingly enter into contracts or agreements that present impermissible conflicts of interest. Emory individuals must accordingly exercise their authority in a manner consistent with applicable conflict of interest policies. Among other things, as required under Emory’s Conflict of Interest Policy, any existing or proposed relationship, transaction or other event, which may raise a conflict of interest issue, is to be disclosed to the employee’s Dean, Director or Vice President in writing to determine its appropriateness and to receive specific approval to maintain or proceed with such relationship, transaction or event. Apparent violations of conflict of interest policies and protocols should be reported to Emory’s Office of the General Counsel. Questions regarding interpretation of Emory conflict of interest policies should be addressed to Emory’s Office of the General Counsel.

VII. Delegation Responsibilities and Delegation Policy

General

As set forth above, the By-Laws of the University authorize the President, the Executive Vice Presidents, the Senior Vice Presidents, and Vice Presidents to execute certain agreements on behalf of the University. These individuals are also authorized to delegate such authority to subordinates for the initiation, management and completion of the contract process. The person to whom authority is delegated has the responsibility to ensure commitment to Emory policies, as well as programmatic and/or operational objectives or requirements; verify the availability of funds for anticipated budgetary commitments; obtain legal and/or risk management review where required; monitor the contract development process to facilitate prompt contract resolution; secure all necessary signatures; and oversee proper performance of all contract commitments. Even if signature authority is delegated, the ultimate responsibility shall remain with the delegating individual.

Unclear Delegations

In cases where the authority to bind the institution or delegate authority may be unclear, an individual should seek specific guidance from his or her immediate supervisor and request delegated authority in writing in advance of executing any contract or entering into any agreement. Any contract executed without properly delegated authority is null and void when signed.

Procedure for Proper Delegation of Authority

The procedures to follow for proper delegations of authority under this policy are outlined below:

a. All delegations of authority must be in writing. A sample form is attached.

b. Delegations must be to positions, not to individuals. The authority associated with an appointment may not be exercised by an individual prior or subsequent to the effective dates of employment and/or appointment.

c. The delegation must include (1) specification of the scope, terms and limitations of the delegation; (2) the contract or types of contracts the delegate is authorized to sign; (3) the extent of monetary authority; (4) the duration of the delegation not to exceed the maximum limit as provided within this policy; and (5) whether sub-delegation of the authority is permissible. A delegating individual may revoke or modify the authority of the delegate following consultation with his/her supervisor and the Office of the General Counsel.

d. A copy of the delegation must be transmitted within three (3) calendar days to the Office of the General Counsel. A copy must also be maintained in the office of both the delegator and the delegate.

e. All delegations of authority governed by this policy are considered in effect for a period of no more than five years unless otherwise specified, and may be terminated at any time by the delegator (in consultation with his or her supervisor and the Office of the General Counsel, as appropriate). Upon the expiration of this authority, the appropriate individual must reauthorize the delegation in writing.

f. As a matter of sound governance, any senior administrative leadership change (to include an interim/acting leadership appointment) should precipitate a review of all existing delegations of authority to determine whether existing delegations of authority should continue in force under the new leadership.

g. At the beginning of each fiscal year, i.e., September 1, all Emory officers should review the written delegations governing their areas to ensure that such delegations are current, accurate, and consistent with the needs of the institution and its various units.
VIII. Contracting Authority Committee

Each Dean, Executive Vice President, Senior Vice President, and the Vice President for Research Administration (due to the unique nature of that area) shall appoint one person to serve as his or her representative on the Contracting Authority Committee. The members of the CAC will be responsible for standardizing and making uniform the delegations of authority across the University. In addition, questions will inevitably arise with respect to specific contracts or situations, and the appropriate CAC member will be responsible for answering such questions, in consultation with the Office of General Counsel as needed. In this way, questions will be addressed by those familiar with operational details, thereby reducing the potential for unnecessary bureaucratic delays, while also allowing important matters to get attention at the proper level.

IX. Responsible Office

The responsible office for the Contract Approval and Signature Authority Policy is Emory University’s Office of the General Counsel.

X. Related Documents and Policies/Links

The following policies should be consulted in conjunction with this policy:

a. Purchasing Department Policies and Procedures (University and Emory Healthcare):

http://policies.emory.edu/2.88

b. Conflict of Interest Policies:

http://policies.emory.edu/4.87

c. Office of Development and University Relations Gift Policy and Procedures:

http://policies.emory.edu/3.7

d. Intellectual Property Policy:

http://policies.emory.edu/7.6

XI. Effective Date

This policy was approved by President James W. Wagner and the President’s Cabinet and is effective beginning January 1, 2006.

SAMPLE DELEGATION OF AUTHORITY LETTER

To Whom It May Concern:

By means of this letter, I, [name and title], acknowledging that the ultimate responsibility for the delegation as set forth herein remains with me, hereby delegate the authority herein described to the [position title], on the following terms and conditions:

1. The [title] may review and execute, on my behalf, contracts in an amount and duration not to exceed [dollar limit] and [period of time].

1. The contracts subject to this delegation are those relating to [describe nature of contracts].

1. The effective date of this delegation is [specify] and shall run [indicate time limit if any; if none, indicate that it shall run for the shorter of two years or until revoked by delegating official or his/her successor].

1. The authority delegated is not subject to sub-delegation without my prior and express written consent.

1. In cases of extreme emergency where I cannot be reached (not any of my direct superiors who have authority) and a contact or agreement that is not otherwise delegated herein must be executed to protect the interests of the institution, the [title] may execute such agreements or contracts.

1. This delegation is made pursuant to the Emory Contract Approval and Signatory Authority Policy and is subject thereto.