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P R O C E D U R E S

Signatory Authority

Employees Covered

These Procedures provide for the delegation of authority to University employees to sign forms and/or contracts on behalf of Eastern Michigan University (University) that create legally binding obligations, including but not limited to forms and contracts relating to initial employment, reclassifications, replacements, transfers/reassignments, new positions, evaluations, grants, travel, hosting and reception, procurement documents, clinical placements, student teacher placements, faculty/student exchanges, property rentals, leases, collective bargaining, banking, products, services and consultants.

GENERAL LIMITATIONS ON SPENDING UNIVERSITY FUNDS

President – All expenditures of funds up to and exceeding \$250,000

Vice Presidents, General Counsel, and Chief Financial Officer - Expenditures not exceeding \$250,000

Other Executive Council Members – Expenditures not exceeding \$50,000

Senior Administrators – Expenditures not exceeding \$50,000

Administrators - Expenditures not exceeding \$25,000

The authority for these procedures derives from EMU [Board Policy 2.3, Contract Authority](#).

These procedures require that no one other than designated individuals may sign contracts on behalf of Eastern Michigan University. The procedures do not delegate permission to enter into a particular transaction, which in every case must be obtained from the appropriate administrative authority.

Purpose

To outline the appropriate signatory authority to ensure that legally binding financial and contractual commitments of the University are properly reviewed and approved. Individuals have the authority to approve or sign contracts on behalf of University only pursuant to a resolution of the Board of Regents or a valid delegation of authority from the President of the University. This delegation of authority set forth by management is a supplement to authoritative documents such as the Bylaws of the Board of Regents, Board Policies, collective bargaining agreements, etc. If any inconsistency exists between this procedure and the actual authoritative document(s), the provisions of the authoritative document will govern.

I. GENERAL REQUIREMENTS AND DEFINITIONS

1.0 General Requirements

- 1.1 Although delegations of authority as described below are essential to efficient and effective management, delegating employees retain overall responsibility for contractual matters and personnel under their supervision.

University signatory authority and responsibility to approve a commitment may be vested in two or more individuals. In such a case all necessary signatures must be obtained. It is the obligation of the individual responsible for the unit whose budget is being obligated to obtain all necessary signatures.

Permanent and temporary delegation of signatory authority must be communicated to the division of Business and Finance by completing a “Designation of Signatory Authority” form. An individual can only delegate the approval authority already granted to him/her and delegations can only be made in writing to managers within the same unit. Permanent delegation of authority must be approved by the President and kept on file in the office of Business and Finance. Temporary delegation of signatory authority must be in writing and maintained by Business and Finance. Those employees delegated the authority to sign documents must sign their own name. All contracts must be signed by hand. The use of rubber stamps, signature plates, or other mechanical devices to affix the signature is prohibited, with the exception of the use of signature plates for checks.

When an employee signs a document obligating the University, internally or externally, the employee affirms that he/she:

1. Is acting within his or her delegated authority.
2. After appropriate investigation and inquiry, is satisfied that the obligations and promises within the document conform to University policy/procedure.
3. After appropriate investigation and inquiry, is satisfied that the substance of the document’s promises and/or obligations meet valid purposes of the University’s mission, including appropriate business purpose.
4. After appropriate investigation and inquiry, is satisfied that the information is accurate and that there has been adequate disclosure of any potential conflicts of interest.
5. After appropriate investigation and inquiry, is satisfied that the substance of the promises and obligations undertaken by the University are appropriate and outweigh the potential risks to the University in the undertaking.
6. Has consulted, where appropriate, with other specialized personnel (e.g. Risk Management, Legal Affairs, Human Resources, Facilities, outside bond Council, etc.). Note: Situations involving the hiring, firing, promoting, upgrading, reclassification and all other similar actions affecting university personnel must have Human Resources approval.
7. Has made appropriate inquiry and is satisfied that the University may lawfully undertake the promises and obligations described within the document.
8. After appropriate investigation and inquiry, is satisfied that the agreement does not conflict with existing University agreements.
9. After appropriate inquiry, is satisfied that any associated commitment of funds has been identified and has been budgeted and approved according to University policy and procedure.
10. After appropriate investigation, is satisfied that all University Purchasing Policies and Procedures have been followed.

Appropriate investigation and inquiry includes reliance upon reviews by and work of other employees/consultants specially situated by virtue of education, training, and/or fact knowledge to perform some aspect of the needed investigation or inquiry. Violation of these and any University policy of procedure sited herein will result in appropriate disciplinary action.

The delegation of signatory authority described below is revocable by the President at any time.

- 1.2 It is the responsibility of all University employees to ensure that the University does not knowingly enter into contracts that present conflicts of interest. University employees must exercise their authority in a manner consistent with the [Conflict of Interest policy](#).
- 1.3 Revenue- generating contracts may give rise to unrelated business income resulting in a taxable event. All such agreements, with the exception of EMU standard auxiliary rental agreements, catering agreements and grant contracts, must be reviewed by the Associate Vice President for Finance or the Controller prior to approval or signature.
- 1.4 Gifts and donations that require on-going operating resources by the University must be reviewed by the CFO or designee prior to acceptance or signature, e.g. donations of real estate.

2.0 Definitions

- 2.1 Contract: Any agreement between two or more parties which is enforceable at law is a “contract.” These Procedures deal with all contracts to which the University is a party, including those agreements which are not titled “contract” (e.g. Agreements; Affiliation Agreements, Memorandums of Understanding; Letter Agreements; Letters of Intent, Rental Agreements, Leases). The following is a partial listing of contracts:
- 2.2 [Employee Consultant](#): A contract that agrees to employ an individual in a temporary capacity defines duties and performance expectations/standard and stipulates who the employee shall report to and be subject to direction.
- 2.3 Personal Services Contract: A contract that appoints a consultant acting as an independent contractor and not an employee.
- 2.4 Grant: A grant is a financial assistance award to an organization in the name of a principal investigator to assist the organization in the conduct of research or other program as specified in an approved proposal.
- 2.5 Executive Council (EC): The EC is an advisory council to the President and is comprised of all Vice Presidents, Chief Financial Officer, General Counsel, –Assistant vice President and Chief Information Officer (CIO), Executive Director, Government and Community Relations, and, Executive Director – Public Safety. Within this procedure they may be referred to in combined or separate due to a monetary difference in signatory authority (see below).

3.0 Delegation

Signatory Authority Unlimited

-President

Signatory Authority not to exceed \$250,000

- Vice Presidents
- General Counsel
- Chief Financial Officer (CFO)

Signatory Authority not to exceed \$50,000 (Other Executive Council Members)

- Chief Information Officer
- Executive Director, Government and Community Relations
- Executive Director, Public Safety

Signatory not to exceed \$50,000 (Senior Administrators)

- Associate/Assistant Vice Presidents
- Associate/Assistant Provost
- Deans
- Librarian
- Associate Deans

Signatory Authority not to exceed \$25,000 (Administrators)

- Academic Department Heads
- Director of Academic Schools
- Executive Directors and Directors

II. SIGNATORY AUTHORITY FOR CONTRACTS

1.0 Board Delegation of Authority

- 1.1 By law, only the Board of Regents is empowered to contract for the University. Except for contracts involving real property ([Board Policy 13.1.3](#)), capital outlay, labor (union contracts) and contracts with terms exceeding five years, or exceeding three years in the case of employment agreements, the Board of Regents has delegated contract signing authority to the President and has authorized the President to establish guidelines for further delegation. The Board and the President, in specific instances, may delegate additional officers and employees contracting authority.
- 1.2 After Board of Regents approval of contracts involving real property, capital outlay, labor (union contracts) and contracts with terms exceeding five years, the contract document may be signed by the President or Treasurer, or by the University officer designated by the Board.
- 1.3 While Board of Regents' approval is not required, the Board of Regents shall be informed of all major contract proposals in advance of execution/signing of the contract.

2.0 General Rules for Contracts

- 2.1 Contracts must be in writing.
- 2.2 Except for contracts which follow a form which has been previously approved by the University's Office of Legal Affairs, it is the responsibility of the signatory to obtain the appropriate legal Counsel regarding the contract prior to the contract being signed.
- 2.3 All contracts require the availability of previously budgeted funds and proper authority to enter into the transaction.

- 2.4 The contract signatory must comply with all applicable University policies and procedures, including but not limited to the University's Purchasing Policy and Procedure in regards to the procurement of services, supplies, material and equipment. Further, the signatory must obtain the Chief Financial Officer (CFO)/Treasurer's approval of any contractual debt/loan instrument (e.g. capital lease); Risk Management approval of contract insurance requirements; and Physical Plant approval of design services, facilities maintenance, repair and improvements and all other requisite approvals.
- 2.5 The monetary values of all contracts are considered to be cumulative, e.g. a 3 year contract costing \$900,000 annually is valued at \$2,700,000 and must be approved by the President.

3.0 Delegation of Signatory Authority

- 3.1 Subject to the restrictions and conditions set forth above, the President hereby delegates to the following officers/employees authority to sign contracts within their respective Divisions/Departments on behalf of Eastern Michigan University.

Vice Presidents, General Counsel and Chief Financial Officer - Contracts not exceeding \$250,000

All Other Executive Council Members and Senior Administrators - Contracts not exceeding \$50,000

Administrators - Contracts not exceeding \$25,000

- 3.2 The University does not recognize contracts signed by University employees as binding on the University unless the employee who signed the contract has duly delegated signatory authority. University employees who sign contracts purporting to bind the University without authority properly delegated under these Procedures may be personally subject to liability and legal action, and may also be subject to University disciplinary action.
- 3.3 It is the responsibility of all University employees signing contracts to ensure that all applicable [University policies](#) and procedures are complied with.
- 3.4 Restrictions and Additional Requirements for Contracts:
- a. The Board of Regents must be informed of all major contract proposals in advance of execution, even if authority to enter into the contract has been delegated as described in these procedures. The Board of Regents shall first approve and authorize contracts involving real property ([Board Policy 13.1.3](#)), capital outlay, labor (union contracts) (Board Policy 2.3) and contracts with terms exceeding five years ([Board Policy 2.3](#)), or exceeding three years in the case of employment agreements ([Board Policy 3.1.1.2](#)). Authority to enter into these contracts cannot be delegated.
 - b. All consulting contracts in excess of \$25,000 must be approved by the CFO.
 - c. With the exception of grant contracts, university standard contracts or those pre-approved by the Office of Legal Affairs contracts must be reviewed by the Office of Legal Affairs.
 - d. Grant proposals and contracts require the approval of the Director of the Office of Research Development or designee. All grant proposal budgets will be reviewed by Sponsored Research Accounting.
 - e. Affiliation Agreements must be approved by the Provost.
 - f. Any agreements that negotiate tuition and/or fees must be approved by the President and CFO.

- g. Any bank accounts opened in the name of Eastern Michigan University must have the approval of the CFO ,Associate Vice President for Finance, or Controller.

III. SIGNATORY AUTHORITY FOR OTHER, NON-CONTRACT COMMITMENTS OF FUNDS

1.0 Board Delegation of Authority

1.1 In addition to contracts, commitment of University funds includes requisitions to purchase goods and services, personnel actions (hiring, transfers etc.), and travel and hosting. The authorities outlined below reflect the highest level of approval. This procedure does not detail all intermediate levels of authority which may vary by department and must be followed.

1.2 All appointments, separations, and award of academic tenure require the approval of the Board of Regents. ([Board Policy 3.5.1](#)).

1.3 Subject to the requirement of Board of Regents approval, authority is delegated from the President of the University to the Vice Presidents, General Counsel, CFO, other Executive Council Members and Senior Administrators, and Administrators as follows:

A. Signatory Authority and Responsibility for Personnel Actions:

1. Presidential Authority

- a. Hiring, promotion, reclassification, replacement, transfer, and reassignment of Executive Council (EC)
- b. All newly budgeted positions. Additionally, CFO approval is required for newly budgeted positions.
- c. Leave requests for EC members require the approval of the President.

2. Executive Council Authority

- a. Hiring, promotion, reclassification, replacement, transfer, and reassignment of tenure track faculty, lecturers, and senior administrative managers and all other personnel requires the approval by the President and Academic HR or Staff HR as appropriate.
- b. An evaluation resulting in tenured appointment of faculty, promotions to senior rank, faculty and staff appointments requires approval by the appropriate EC Member. That is, the Provost for instructional personnel and the appropriate EC Member for all others.
- c. Leave of absence requests for Senior Administrators, Administrators and all other personnel requires the approval by the appropriate EC Member and Human Resources.

B. Signatory Authority for Grants

1. Authority of the Executive Council

- a. Grant proposals, sabbatical leaves, subventions, supplemental pay, and other internal university awards for Academic Affairs require approval of the provost or designee and for all others the appropriate EC Member.

2. Delegated to the Provost and The Associate Vice President for Graduate Studies and Research by the Treasurer to the Board of Regents

- a. The Associate Vice President for Graduate Studies and Research or designee is required to authorize the acceptance of grants on behalf of the University not to exceed an obligation amount of \$100,000. The Provost must approve the acceptance of grants on behalf of the University in excess of \$100,000 or if the grant calls for a significant or ongoing commitment of resources by the University.

- b. Sponsored Research Accounting will review all budget proposals

C. Signatory Authority and Responsibility for Travel & Hosting

1. Authority of the President

- a. All travel and hosting by Executive Council members that report directly to the President.

2. Authority of Vice Presidents, CFO, and General Counsel

- a. Hosting and travel by Senior Administrators that does not exceed \$250,000 requires approval by the appropriate Vice President, General Council, or the CFO.
- b. All study tours require the approval of Provost.
- c. All International Travel must be preapproved by the appropriate Vice President, General Council, or the CFO

3. Authority of Other Executive Council and Senior Administrators

- a. Hosting and travel by administrators and staff that does not exceed \$50,000 requires approval by the appropriate EC member or Senior Administrator.

4. Authority of Senior Administrators Domestic Travel & Hosting

Domestic hosting and travel by faculty and staff , program receptions, student travel, and staff training requires approval of the appropriate Administrator.

D. Signatory Authority and Responsibility for Approving Requests for the Procurement of Goods and Services

1. Authority of the President

- a. Requisitions for goods and services that exceed \$250,000 require the approval of the President.

2. Authority of Vice Presidents, General Council, and the CFO

- a. Requisitions that do not exceed \$250,000 and are more than \$50,000 require the approval of the appropriate Vice President, General Council, or the CFO.

3. Authority of all other Executive Council Members and Senior Administrators

- a. Requisitions that do not exceed \$50,000 and are more than \$25,000 require the approval of the appropriate EC member or Senior Administrator.

4. Authority of Administrators

- a. Requisitions that do not exceed \$25,000 require the approval of the appropriate Administrator.

5. Payment Card Holders

- a. Employees that are granted a university [Payment card](#) are authorized to approve a single transaction not to exceed \$5,000, only when utilizing a P-card. Authorization of any amount greater than \$5,000 must have the written approval of the appropriate Administrator.

These Procedures are effective upon the date of issuance.

Addendum #1: Capital Construction and Facilities

Employees Covered

These Procedures provide for the delegation of authority to University employees to sign forms and/or contracts on behalf of Eastern Michigan University (University) with regard to Capital Construction and Facilities that create legally binding obligations.

The authority for these procedures derives from EMU [Board Policy 2.3, Contract Authority](#), and the Procedures: Signatory Authority.

These procedures require that no one other than designated individuals may sign contracts on behalf of Eastern Michigan University. The procedures do not delegate permission to enter into a particular transaction, which in every case must be obtained from the appropriate administrative authority.

Purpose

To outline the appropriate signatory authority for Capital Construction and Facilities to ensure that legally binding financial and contractual commitments of the University are properly reviewed and approved. The following only applies to Capital Construction only. Capital Construction is defined as:

Capital projects refer to all non-recurring expenses involving construction (new and renovation/additions to existing structures), acquisition, repair and/or improvement (to correct inadequacies or change the use of existing space or systems), fabrication, and customization projects where capital costs are greater than or equal to \$50,000.

Expenditures related to General Fund, Auxiliary, Grants, etc., are pursuant to the limits stated in the Procedures: Signatory Authority.

GENERAL LIMITATIONS ON SPENDING UNIVERSITY FUNDS FOR CAPITAL CONSTRUCTION and FACILITIES

President – All expenditures of funds up to and exceeding \$2,000,000

Contractual: above \$2,000,000 / Banner: unlimited / Change Order: Not Required

Vice President – Facilities Operations - Expenditures not exceeding the following:

Contractual: \$2,000,000 / Banner: \$2,000,000 / Change Order: above \$25,000
(per instance)

Director – Facilities Planning & Construction – Expenditures not exceeding the following:

Contractual: \$250,000 / Banner: \$250,000 / Change Order: \$25,000 (per instance)

Project Manager/Manager - Expenditures not exceeding the following:

Contractual: \$0 / Banner: \$150,000 / Change Order: \$10,000 (per instance)

Change Order Signature Authority (Table 1)²			
	Required Signature		
Amount	Project Manager	Director, Facilities Planning & Construction	Vice President, Facilities
Overall Amount Below \$10,000	Yes		
Single Line Item Below \$10,000 ¹	Yes		
Overall Amount Between \$10,000 and \$25,000	Yes	Yes	
Single Line Item Amount Between \$10,000 and \$25,000 ¹	Yes	Yes	
Overall Amount \$25,000 and Above	Yes	Yes	Yes
Single Line Item \$25,000 and Above ¹	Yes	Yes	Yes

¹ Change Order must be executed by signatory with approval authority for single line item even if overall amount of Change Order is within lower signatory threshold.

² The signatory limits as stated in Table 1 also apply for deduct change orders.

Time and Material

Expenditures are made utilizing contracted Time and Materials vendors for Facilities related scope of work whether under General Maintenance or Capital Construction. These vendor contracts are executed by Purchasing on behalf of the University for use by the Physical Plant for Capital Construction and General Maintenance purposes. These expenditures may be made from Capital Construction projects, General Fund, Auxiliary, Grants, or Restricted accounts. No scope of work for a Time and Material Vendor may exceed \$50,000. The following are General Limitations on Spending University Funds using Time and Material vendors:

- Vice President – Facilities Operations** - Expenditures not exceeding \$50,000
- Director – Facilities Planning & Construction** – Expenditures not exceeding \$50,000
- Director – Facilities Operations & Maintenance** – Expenditures not exceeding \$50,000
- Director – Custodial Services** - Expenditures not exceeding \$50,000
- Project Manager/Manager** - Expenditures not exceeding \$10,000

These Procedures: Signatory Authority Addendum #1 are effective upon the date of issuance.