

Rice University General Policy No. 810

SIGNATURE AND APPROVAL AUTHORITY

General Policy

Pursuant to the Amended and Restated Bylaws of William Marsh Rice University, the Board of Trustees and the Chair of the Board have delegated to the President of the university general control and supervision over all educational, financial and administrative matters pertaining to the university. The President, in turn, delegates certain authorizations to the officers of the university including the general control and supervision of financial functions of the university and the financial management of funds under their respective organizational jurisdictions.

The university establishes internal controls to limit those who are authorized to obligate the University with external parties and to identify those who have access to financial systems and authority to approve financial transactions.

This policy designates who, within the university, is authorized to incur financial or contractual obligations on behalf of the university.

Definitions

"Signature authority" for contracts and other commitments is the authority to execute transactions that obligate the university up to dollar limits established by the Board, the President or by relevant university policies and procedures. The signer of a contract or any other financial commitment is ultimately responsible for the appropriateness and correctness of the transaction and its terms.

"Approval authority" is the authority to approve expenditure of university funds within specified dollar limits or to recommend execution of a contract or other commitment by one with signature authority. Approval attests to the appropriateness of the transaction within the university's program objectives, that funds are available and that the accounting information is correct. Delegation of approval authority is generally at the department chair, director or manager level and also includes principal investigators and project managers.

"One-over approver" is the authority to approve any transaction such as those involving travel, business meetings or entertainment for another employee or student for whom they have approval authority. This designation is necessary to confirm that the expenses incurred are in line with university policy and procedures and in support of university business and not to the personal benefit of the individual incurring the expense. Absent extraordinary circumstances and the prior approval of the Vice President for Finance, a "one-over approver" may not be a direct report of the employee who incurred the expense.

Elaboration of Policy

Within defined limits, signature authority to approve and execute contracts (including, but not limited to, investment and financial agreements, bank accounts, construction contracts, insurance arrangements, real estate agreements and leases, benefit contracts, employment contracts, estates and trusts, and borrowing) rests with the President or Treasurer depending on the nature of the transaction. The President may delegate signature authority within defined limits to the Provost, specific vice presidents or other employees of the university for particular transactions. With the approval of the President, these individuals may further delegate in writing or electronically such signature authority within defined limits to deans, vice provosts, directors or managers who report to those individuals. As provided by the Bylaws or authorized by the Board, the Treasurer may also delegate signature authority for various financial transactions under his or her purview to an Associate Treasurer.

Approval authority for general operating expenditures within a budget approved by the President or Provost may be delegated by the President or Provost to a vice president, vice provost, dean, department chair, director or manager of a unit. Individuals who have received approval authority from the President or Provost may further delegate such approval authority in writing or electronically within defined limits to individuals who report to them. Approval authority per transaction shall be below the level of the aggregate budget for that department or project unless exceptions are approved by the Vice President for Finance.

No contract in excess of \$100,000 shall be signed without prior review by the Office of General Counsel and the Office of Procurement, unless the language of the contract has previously been approved by the Office of the General Counsel or an approved university contract template is used. (The \$100,000 limit applies also to multi-year contracts totaling \$100,000 or more.) All contracts that have rights or commitments in excess of three years, or which provide indemnification against claims (whether by or for the benefit of the university), or seek to limit the amount or type of liability in any way also must be reviewed by the Office of General Counsel prior to approval and signature. The Office of the General Counsel shall also review all contracts with provisions establishing the choice of law or the forum or means for resolution of disputes and all contracts with confidentiality or non-disclosure obligations.

An electronic copy of the signed contract must be maintained on file for the period of the contract plus four (4) years or the period required by law or the contract, whichever is longer. Copies of all executed contracts in excess of \$100,000 for commitments longer than three years or involving any indemnities or limitations of liability should also be sent to the Office of the General Counsel, unless other arrangements have been made between the particular office and the Office of the General Counsel.

Purchases of supplies, equipment, software licenses and other goods and services and expenses incurred for travel, business meetings and entertainment must comply with relevant university policies and related procedures including Purchasing, Payment, Travel, Business Meetings and Entertainment policies.

There are limitations on signature and approval authority. An individual may not:

- approve one's own reimbursement or (absent the prior approval of the Vice President for Finance) the reimbursement of someone to whom one reports;
- sign or approve a personnel action form or salary form that impacts one's own salary;

- sign or approve a transaction that is or may present a conflict of interest without first adhering to the university's policies and procedures on disclosure and resolution of conflicts of interest; or
- sign or approve a transaction beyond the financial limits or funding sources of their delegated authority.

The university provides training for all those with approval authority or signature authority. All those receiving delegated authority for the first time will be expected satisfactorily to complete such training before their authority becomes effective.

Specific Authorizations

1. Any contract for goods or services or that commits the university in an amount equaling or exceeding \$600,000, including associated change orders, must be approved by the President (unless it involves a matter assigned by the Bylaws or the Board to the Treasurer). Multi-year contracts totaling \$600,000 or more come under this requirement. Contracts for research or external support for research of \$600,000 or more, however, may be approved and signed by the Provost or Vice Provost for Research after approval by the President or pursuant to guidelines and protocols approved by the President.

2. While all contracts require that those approving or signing them have the necessary authority under this Policy and contracts for \$600,000 or more must be approved by the President, any contract in excess of \$250,000 also must be approved by the Provost, Dean, Vice Provost or Vice President overseeing the operational area and by the Vice President of Finance who ensures that the financial obligation is properly recorded and funds are available in the respective budget (except for contracts for research support as provided in (1) above). In certain circumstances, if approved in advance in writing by the President, signature authority for such contracts may be delegated to the Provost or the vice president overseeing the operational area and approval authority may be delegated to a dean, vice provost, director or manager who reports to the Provost or the particular vice president. Any contract involving investments, financial instruments or interests, securities or management of financial assets must be signed by the Treasurer or an Associate Treasurer, if so authorized by the Treasurer.

3. All appointment letters and employment agreements for faculty must follow University Policy No. 201 [Faculty Appointments, Promotion and Tenure]. All staff employees are employees at will, unless they have a written employment agreement for a definite term signed by the President, the Provost or a Vice President. Any staff employment agreement must also be approved by the Associate Vice President for Human Resources prior to signature and must comply with university policy and procedures. Any employment contract in excess of two years must be approved by both the President and the Associate Vice President for Human Resources. While the Athletic Director can recommend approval of coaches' employment contracts, the President or his/her designee must sign such contracts. The Compensation and Organizational Development (CORD) Committee of the Board of Trustees must approve any employment contract of a disqualified person or any employment contract greater than two years for a direct report of the president.

4. Agreements for the rental or use of university facilities by non-university organizations or individuals must be in compliance with university policy on the use of facilities by outside parties. All contracts for the rental or use of university property and facilities must be signed or co-signed by the Vice President for Administration or his/her designee.

5. The Provost or Vice Provost for Research must approve and sign all contracts for research or external support for research, pursuant to guidelines governing such agreements as administered by the Office of Sponsored Research.

6. The Director of the Office of Technology Transfer shall negotiate licenses and option agreements for licenses with entities interested in developing inventions and discoveries covered by the university's Intellectual Property policies, pursuant to guidelines and limits established by the President or Provost and with legal review by the Office of the General Counsel. Such license agreements for university-created technologies and option agreements for such licenses shall be signed by the President, Provost or Treasurer or their designees.

7. Students and student organizations may not enter into any contract in the name of or on behalf of the university or commit the university or any of its funds or commit the use of university grounds and facilities to non-university organizations or individuals without the prior approval and the signature of the Dean of Undergraduates or his/her designees or the relevant Dean in the case of graduate student activities.

8. Any contracts involving use of the university's name for publicity or advertising or use of the university's logo, including agreements that permit third parties to use the University's name or logo, must be approved by the Vice President of Public Affairs or his or her designee prior to signature.

9. Any authorizations given under this policy may be modified or withdrawn by the authorizing person at any time. The Board, its Chair, the President or the Treasurer, depending upon the particular contractual subject, may also modify or withdraw approval and signature authority for a given officer or area of the university or on a particular subject matter at any time.

Consequences for Failure to Comply with Policy

Failure to comply with this policy and its associated procedures may result in disciplinary actions, including but not limited to suspension and revocation of signature or approval authority.

Roles and Responsibilities

President, Provost, Vice Presidents, Vice Provosts, Deans, Directors and Department Chairs/Department Heads

Establishes delegations of approval authority to their direct reports as needed in accordance with procedures.

Ensures contracts undergo appropriate review and are routed appropriately for signing.

Designates those with approval and one-over approval authority.

Ensures that those with approval and signature authority in their units have appropriate training.

Department Administrators

Ensures that department procedures are in line with university policy and procedures.

Human Resources

Reviews and approves all staff employment contracts and helps assure that those contracts that exceed two years in duration are also brought to the President for review and approval.

Controller's Office

Conducts training for those with approval authority.

Oversees the integrity of the approval authorities identified in the university financial system.

A handwritten signature in cursive script, reading "David W. Leebron", written in black ink.

David W. Leebron, President

Policy No. 810

September 12, 2014

Supersedes: Policy 810-01

Revised: November 16, 2001