

## **Signatory Authority for Executing University Contracts**

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**Policy Type** [University](#)

**Contact Office**

[Executive Vice President and Chief Operating Officer \(Office of the\)](#)

**Oversight Executive**

[Executive Vice President and Chief Operating Officer](#)

**Applies To**

Academic Division The Medical Center The College at Wise

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### **Reason for Policy**

This policy describes the process for reviewing, approving and executing contracts on behalf of the University so that: (i) the contract is reviewed and signed by a University representative with the requisite signature authority as delegated by the Board of Visitors; (ii) the terms of University contracts are consistent with state and federal law, directives and guidelines; and (iii) all reviews and approvals required by University policies are obtained prior to execution of the contract.

### **Definition of Terms**

#### **[Academic Program Agreement \(APA\)](#)**

Any contract or expression of intent between the University and another institution or organization to establish a joint educational program, a collaborative academic relationship, or a research activity unrelated to approved sponsored research.

### **Authorized Signatory**

An individual authorized pursuant to the Board of Visitor's Signatory Authority policy to sign contracts with external parties on behalf of the Rector and Visitors of the University of Virginia.

### **Contract**

Any agreement between the University and one or more parties for performing, or refraining from performing, some specified act(s) in exchange for a valuable benefit known legally as "consideration."

### **Signatory Authority**

The legal authority to bind the University (including any school, department, or business unit thereof) in a contract.

### **Policy Statement**

Only authorized signatories named by the Board of Visitors, or to whom signatory authority has been delegated in writing by authorized officers, can legally bind the University in a contract. Delegation of signatory authority is managed by the Executive Vice President and Chief Operating Officer (EVP & COO) who also maintains the records of signatory authority delegation. Authorized signatories must coordinate all special reviews; obtain all internal approvals; and ensure compliance with applicable University policies and state and federal law, directives, and guidelines, prior to execution of a proposed contract.

If an individual signs a contract on behalf of the University, and has not been delegated signatory authority, that individual may be personally liable for the payment and performance of the contract.

#### **1. Authorized Signatories:**

All contracts must be signed in the name of "The Rector and Visitors of the University of Virginia" by an authorized signatory. The signatories authorized by the Board of Visitors are: (i) the President; and (ii) the Executive Vice President and Chief Operating Officer. The EVP & COO is responsible for the delegation of additional signatory authority. In order to expedite the review and processing of contracts, limited authority to sign certain contracts has been delegated in writing to designated administrative officers. These authorized signatories must coordinate with the appropriate offices to ensure that proper legal, risk management, and operational reviews are conducted as needed.

The EVP & COO has delegated the signatory authority to the specific individual(S) within the following academic and Medical Center units **with specific limitations:**

A. For the Academic Division and the College at Wise, the primary administrative offices with signatory authority are:

- Procurement and Supplier Diversity Services (Procurement Services) for the purchase of goods and services;
- Office of Sponsored Programs for grants and contracts related to research funds;

- Facilities Management for the procurement of construction, professional services, and construction-related non-professional services (subject to required BOV approvals);
  - Office of the Vice President for Finance for contracts outside the scope of Procurement Services or the Office of Sponsored Programs. Examples include leases, educational services contracts, student practicum contracts, and art loan agreements; and
  - Office of the Executive Vice President and Provost for Academic Program Agreements.
- B. For the Medical Center, the EVP & COO delegates signatory authority to specific individuals who are authorized to sign documents based on their roles and responsibilities.

## **2. Responsibilities of Authorized Signatories:**

Each Authorized Signatory must:

- Determine whether execution of the contract/agreement is in the best interest of the University.
- Coordinate all special reviews and obtain all internal approvals required for the type of contract proposed.
- Ensure that the contract complies with all University, and, as appropriate, Medical Center policies and procedures.
- Sign the contract in the name of “The Rector and Visitors of the University of Virginia” and within the limitations of his or her delegated signatory authority.
- Assign an appropriate contract control number, if applicable.
- Maintain a central file of original executed contracts available for audit by the University, and follow federal, state and University policies for record retention.
- Ensure that contracts that involve making use of the University’s name, logos, trademarks, etc., or that might adversely impact the University’s image or brand, or could potentially result in significant financial liability are brought to the attention of the Office of the VP for Finance prior to execution.
- Ensure that no contract will generate unrelated business income unless approved in advance by the Director of Financial Operations.
- Be aware that for any document in which the University leases personal property, taxes may be assessed on the leased personal property. The document must specify which party (the University, the financial institution, or the original vendor) will pay the personal property tax.

## **3. Review and Approval of Contracts:**

### **A. Legal Review of Contracts:**

As an agency of the Commonwealth of Virginia, the University is precluded by law from accepting certain contractual provisions, the most important of which are set forth in Section 4 of this policy. In addition, the University requires that certain contracts be reviewed for legal sufficiency by the Office of the University Counsel. It is the responsibility of the authorized signatory to ensure adequate legal review of each contract has been obtained prior to execution.

### **B. Property and Liability Risk Management (Risk Management) Review of Contracts:**

If deemed appropriate by the authorized signatory or Risk Management, Risk Management shall review contracts (including the procurement of goods and services) that may present a risk of accidental loss or exposure to the University, its employees, students, or property owned by or loaned to the University. This includes contracts for the Academic Division, the Medical Center, and the College at Wise. Likewise, Risk Management should review and approve in advance any contracts containing specialized or non-standard insurance provisions, waivers of subrogation, additional insured status, or liability limitations or waivers.

**C. Export Controls Review of Contracts:**

The conduct of certain University research, teaching, service and patient care activities in the U.S. or abroad is subject to control under Federal export control or sanction regulations due to the use or generation of controlled technology, or the conduct of controlled activities, as described in [FIN-043: Managing Export and Sanction Compliance in Support of University Activities](#). In such cases, the University is fully committed to complying with all applicable regulations. Serious penalties, both civil and criminal, can result from violations of these regulations. The [Office of Export Controls](#) should review and approve in advance any contracts subject to export control regulations. In addition, all parties to the contract must be screened to determine if they are identified on any U.S. government restriction or denial list and to assure, if they are listed, that their participation is allowable and appropriately managed. It is the responsibility of the authorized signatory to ensure that adequate review of each contract has been obtained prior to execution.

**D. Procurement Services Review of Contracts:**

Contracts for the procurement of goods and services must be made in accordance with the laws of the Commonwealth of Virginia and within the policies and procedures of the University as administered by [Procurement and Supplier Diversity Services](#) (Academic Division and the College at Wise) and [Medical Center Contracts & Procurement, Finance](#) (Medical Center). Some large acquisitions may require that a formal Request for Proposal (RFP) or Invitation for Bid (IFB) be prepared.

**E. Information Security Review of Contracts:**

The University must maintain the privacy and security of confidential personal information and other data, as summarized in [IRM-003: Data Protection of University Information](#). Contracts involving the use of such data must comply with applicable University policies and procedures, as well as federal and state laws and regulations. The authorized signatory must confirm adequate review of each contract prior to execution.

**F. Internal Approval of Contracts:**

Prior to signature, the authorized signatory should obtain the express approval of the director of the operational unit charged with performance of the contract. For special rules related to approval of Academic Program Agreements, see policy [FIN-035: Academic Approval and Signatory Authority for Academic Program Agreements](#).

**G. Standard Terms and Conditions:**

Academic Division units are permitted to conduct approved revenue generating activities on an invoice-only basis (i.e., without a contract), provided that each invoice includes the following statement and link:

**“The services invoiced hereunder are subject to the University of Virginia’s standard terms and conditions found at [https://uvafinance.virginia.edu/sites/uvafinance/files/UVA\\_STC.pdf](https://uvafinance.virginia.edu/sites/uvafinance/files/UVA_STC.pdf)”**

**4. Legal Restrictions and Requirements:**

**A. University Name:**

The legal name of the University, “The Rector and Visitors of the University of Virginia,” must appear on all contracts.

**B. Governing Laws & Venue:**

All contracts signed by an authorized signatory should be governed by the laws of the Commonwealth of Virginia or be silent on the issue of governing law. If a party insists on the governing law of another state or country and if you have concerns, you may consult the Office of the University Counsel. No contract shall include a provision in which the University must consent to or submit to jurisdiction in federal or non-Virginia courts.

**C. Arbitration:**

In order to ensure that the compromise or settlement of any claim is approved in accordance with state law, no contract shall include a provision requiring the University to submit a dispute to binding arbitration.

**D. Indemnification/Hold Harmless:**

No contract shall include any provisions requiring the University to indemnify or hold harmless the counterparty for damages, losses, etc., resulting from claims against the counterparty by third parties.

**5. Compliance with Policy:**

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination in accordance with relevant University policies.

Questions about this policy should be directed to the [Office of the Executive Vice President & Chief Operating Officer](#).

**Related Information**

[BOV-014: Signatory Authority](#)

[FIN-021: Internal Control](#)

[FIN-035: Academic Approval and Signatory Authority for Academic Program Agreements](#)

[FIN-043: Managing Export and Sanction Compliance in Support of University Activities](#)

[FIN-054: Employee Obligation to Report Potential Conflicts of Interest](#)

[GOV-004: Use and Licensing of the University's Trademarks](#)

[IRM-003: Data Protection of University Information](#)

[IRM-008: University Information Technology Accessibility](#)

[IRM-017: Records Management](#)

[University Data Protection Standards](#) (responsibilities for data)

Medical Center Policy [0189, Medical Center Procurement Guidelines](#)

[Vendor Security Review Standard](#)

[University Data Protection Standards](#)

[VPR's Research Data Security website](#)

[UVA Accessibility website](#)

**Major Category** [Finance and Business Operations](#)

**Next Scheduled Review** Sunday, July 24, 2022

**Revision History**

Added Section 3.E 5/19/21; Updated 7/24/19; 2/22/17, 7/24/15, 12/22/14, 12/5/13, 5/15/13.

**Applies To Text**

Academic Division, the Medical Center, and the College at Wise.

**Supersedes Policy Text**

VII.R.1, Contracts; V11.R.2, Functions of Administrative Offices Responsible for Executing Contracts.

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**Approved By** Policy Review Committee

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