

Policy on Approval and Execution of Contracts and Other Binding Documents

Policy Title	Approval and Execution of Contracts and Other Binding Documents
Policy #	01.014.1
Policy Owner	Office of General Counsel
Contact Information	Questions regarding this policy should be directed to the University of Rhode Island Office of General Counsel at (401) 874-4486
Approved By	University of Rhode Island Board of Trustees
Effective Date	February 20, 2023
Next Review Date	No later than March 31, 2028
Who Needs to Know About this Policy	All University administrators, faculty, staff, and students, as well as University Affiliates.
Definitions	<p>Authorized Signatory. An individual authorized to sign Contracts and Other Binding Documents on behalf of the University of Rhode Island and/or the University of Rhode Island Board of Trustees.</p> <p>Contract. Any agreement between two or more parties where there is a mutual exchange of promises and which creates legally enforceable rights and/or duties of the parties.</p> <p>Contract Execution. The act of signing a contract by an individual with authority with the intent that the document become legally binding.</p> <p>Contract Owner. The individual or department initiating a Contract by requesting the goods, services, or other relationship or transaction to be covered in the Contract.</p> <p>Other Binding Document. Any document other than a Contract that creates legally enforceable rights and/or expectations in third parties.</p> <p>University Affiliate. Any individual who is not a faculty member, staff, or student who otherwise has a formal relationship with the University, including but not limited to visiting scholars, visiting students, research fellows, professional program participants, club sports coaches, and volunteers as well as employees and associates of the URI Foundation and Alumni Engagement, URI Research Foundation, and members of the University of Rhode Island Board of Trustees. Vendors and contractors are not considered University Affiliates, except for those with an ongoing presence on the University campus as regular operations support staff.</p>

Statutes, Regulations, and Policies Governing or Necessitating This Policy	RIGL § 16-32-2 (University of Rhode Island, Board of Trustees established) RIGL § 16-32-2.1 (University of Rhode Island, Additional powers of the President of the University) University of Rhode Island Board of Trustees Procurement Regulations
Reason for Policy / Purpose	To establish University-wide policy on the review and approval of Contracts and Other Binding Documents that create rights and/or expectations in third parties, in order to improve compliance and maximize standardization and centralization to achieve efficiency and reduce costs and risks across the University.
Forms Related to this Policy	Delegation of Signature Authority Template Contract Cover Sheet

Policy Statement

This policy applies to all Contracts between the University of Rhode Island (also, University) or the University of Rhode Island Board of Trustees (also, Board of Trustees) and an outside party and to Other Binding Documents involving the University or Board of Trustees and an outside party. This policy does not apply to internal University transactions or other administrative processes that govern internal relationships between University departments, divisions, schools, or offices.

The parties involved in the development and completion of any Contract include (1) the Contract Owner, who is responsible for managing the relationship between the University and the outside party and for assuring that all appropriate reviews and approvals have been completed prior to Contract Execution; (2) the Authorized Signatory, who is the sole University (or Board) signatory of any Contract or Other Binding Document; and, at times, (3) certain individuals or University offices, as noted in Section 3 of this policy, responsible for reviewing the Contract documents or approving the relationship or transaction before Contract Execution.

All Contracts in which the University or Board of Trustees is a party must be documented in writing, negotiated in good faith, and determined to be in the best interest of the University.

1 Contract Owners

The Contract Owner is responsible for establishing the business relationship or transaction, negotiating the business terms formalized by the Contract, overseeing the performance of the Contract, monitoring all parties' compliance (including the University's compliance) with the terms of the Contract, and managing any risks associated with the relationship/transaction. The Contract Owner is also responsible for routing the proposed Contract for applicable reviews and approvals as described in Section 3 of this policy, confirming Contract Execution by the appropriate Authorized Signatory, and delivering the executed contract to the outside party.

Before proceeding with a Contract, the Contract Owner must read the Contract, understand its terms, and ensure that the business terms are consistent with the intended relationship or transaction. The Contract Owner must also ensure that the relationship or transaction to be formalized by the Contract has received appropriate departmental approvals and, if any monetary payment is required, ensure that the department has adequate funds available and that appropriate budgeting processes, if any, have been followed.

The sections below describe general requirements for Contract Execution (Section 2) and specific requirements for certain reviews and/or approvals that may be required prior to Contract Execution (Section 3). Details regarding the process for routing a Contract for review and Contract Execution can be found in the Procedures that accompany this policy.

2 Execution of Contracts and Other Binding Documents

Individuals may execute (sign) Contracts and Other Binding Documents on behalf of the University and/or the Board of Trustees only as set out in this policy. If the signature authority in this policy conflicts with, or is more restrictive than, any signature authority in any other policy, the provisions in this policy will apply.

2.1 Authorized Signatories. An Authorized Signatory is an individual authorized to execute Contracts and Other Binding Documents on behalf of the University and/or the Board of Trustees. The individuals identified below have authority to execute the types of Contracts and Other Binding Documents specified below on behalf of the University and/or the Board of the Trustees.

2.1.1 Chair of the Board of Trustees. The Chair of the Board of Trustees has the authority as set out in the Bylaws of the Board of Trustees, specifically, to execute all contracts and documents approved by the Board of Trustees, unless otherwise ordered by the Board of Trustees.

2.1.2 President. The President of the University has the authority to execute any Contract or Other Binding Document that promotes the objectives of the University and/or the Board of Trustees and is consistent with established policies, rules, and regulations.

2.1.3 Vice Presidents. Each Vice President has the authority to execute any Contract or Other Binding Document within their respective administrative and business units that promotes the objectives of the University and/or the Board of Trustees and is consistent with established policies, rules, and regulations.

2.1.4 Director of Athletics. The Director of Athletics has the authority to execute any Contract or Other Binding Document within the Department of Athletics that promotes the objectives of the University and/or the Board of Trustees and is consistent with established policies, rules, and regulations.

2.1.5 General Counsel. The General Counsel has the authority to execute any Contract or Other Binding Document relating to the provision of legal services or an attorney/client relationship, including attorney/law firm engagement letters, joint representation agreements, common interest agreements, and conflict of interest waivers.

2.2 Delegation of Authority

2.2.1 Authorized Signatories. Authorized Signatories may delegate their authority as set out in Section 2.1 as necessary for operational expedience, efficiency of processing, or for other good cause (extended absences, required expertise, etc.). Delegations of authority must be completed using the Delegation of Signature Authority form and renewed annually no later than July 1 of any year. Delegations of authority must be to specified positions, not to individuals, and the authority provided by the delegation may not be exercised by the delegate prior or subsequent to their effective dates of employment and/or appointment. The delegation of authority must specify the scope, terms, and limitations of the delegation, including the Contract or types of documents the delegate is authorized to sign, the extent of monetary authority, and/or the duration of the delegation. The delegation of signature authority does not provide any additional powers or responsibilities to that individual other than the signatory power noted in the Delegation of Signature Authority form. A delegating official retains ultimate

responsibility for matters under their purview and may revoke or modify the delegation of authority at any time.

All Delegation of Authority forms, and any revocation or modification thereof, must be filed with the Assistant to the Vice President for Administration and Finance, with a copy to the Office of General Counsel, no later than two (2) business days from the date of delegation or change to a delegation.

- 2.2.2 Board of Trustees.** The University of Rhode Island Board of Trustees may, from time to time, delegate certain review, approval, and signature authorities via resolution. These resolutions will be bounded by scope and intent and may include limitations on duration or contract value.

Board of Trustees resolutions delegating authority are filed with the Secretary of the Board of Trustees after final approval and posted on the Board of Trustees webpage.

- 2.2.3 Sub-Delegation.** Sub-delegation of authority is not allowed. Only the Authorized Signatories noted in Section 2.1 may delegate their authority to execute Contracts and Other Binding Documents on behalf of the University and/or the Board of Trustees.

3 Approvals Required Prior to the Execution of Contracts and Other Binding Documents

The ultimate authority to execute Contracts and Other Binding Documents on behalf of the University and/or the Board of Trustees rests with the Authorized Signatories identified in Section 2 of this policy. However, in many cases, additional reviews and/or approvals by the Board of Trustees, the President, other University officials or offices, or state agencies must also be obtained prior to execution by the Authorized Signatory.

This Section 3 identifies specific reviews and/or approvals that must be obtained prior to an Authorized Signatory signing a Contract or Other Binding Document. Unless review is specifically stated, the approval required by this section does not require review of the Contract or Other Binding Document itself, but rather approval of the relationship or transaction.

In addition to the reviews and/or approvals required by this Section 3, each Authorized Signatory may define additional required reviews and/or approvals of specific Contracts or Other Binding Documents that will ultimately be submitted to them for signature or that otherwise fall within their respective areas of oversight.

- 3.1 Board of Trustees.** If a Contract or Other Binding Document relates to one or more of the following, the relationship or transaction must be approved by the Board of Trustees:

- 3.1.1** The naming of, and name removal from, academic units, University buildings or exterior spaces (defined as those outside or upon the building envelope, streets, quads, etc.), and academic programs;
- 3.1.2** The acquisition, transfer, disposal, or conveyance of legal title or any ownership interest in land;
- 3.1.3** The lease or license for use of any facility or land with an initial period greater than five (5) years and lease payments exceeding \$1,000,000 over the five (5) year period;
- 3.1.4** The employment of any University Officer, as defined in the Board of Trustees Bylaws;

- 3.1.5 Agreement with a collective bargaining unit;
- 3.1.6 A total financial obligation of \$5,000,000 or more (which approval may be granted through the Board of Trustees approval of a Capital Improvement Plan or Budget if the total financial obligation is specifically identified therein);
- 3.1.7 The settlement of a legal claim at an uninsured cost of \$500,000 or more.

If approval by the Board of Trustees is required, all other required approvals and the approval of the President must be obtained before submission to the Board of Trustees.

When initiating a relationship or transaction that requires Board of Trustees' approval, ample time must be allowed in the process to meet the Board of Trustees materials' submission deadlines (information regarding those deadlines may be obtained from the Secretary to the Board of Trustees).

3.2 President. If a Contract or Other Binding Document relates to one or more of the following, the relationship or transaction must be approved by the President:

- 3.2.1 Matters requiring approval by the Board of Trustees pursuant to Section 3.1;
- 3.2.2 An obligation of the President established by applicable law or University policy;
- 3.2.3 Matters that are highly strategically important or involve potential for significant publicity;
- 3.2.4 A total financial obligation or exposure of \$500,000 or more;
- 3.2.5 The settlement of a legal claim at an uninsured cost of \$250,000 or more.

3.3 Vice President for Administration and Finance. If a Contract or Other Binding Document relates to one or more of the below, the relationship or transaction must be approved by the Vice President for Administration and Finance (VPAF) and the Contract or Other Binding Document must be reviewed and approved as specified by the VPAF. The VPAF may designate another individual to act on their behalf with regard to the review and approval of Contracts or Other Binding Documents in accordance with internal procedures established by the VPAF.

- 3.3.1 Naming rights in any URI real property;
- 3.3.2 The purchase, sale, lease/sublease, or license/sublicense of any University interest in real property;
- 3.3.3 Capital project development, including planning and design, engineering, and construction for new construction as well as major renovations.
- 3.3.4 The financing, refinancing, restructuring, or guarantee of debt (including loans, bonds, lines of credits, and capital or operating leases used for financing (e.g. lease-to-own arrangement)) or granting any security interest (includes mortgages, liens, or pledges).
- 3.3.5 A total financial obligation or exposure of \$250,000 or more;
- 3.3.6 The settlement of any legal claim at an uninsured cost of \$100,000 or more.

3.4 Vice President for Research and Economic Development. If a Contract or Other Binding Document relates to a one or more of the following, the relationship or transaction must be approved by the Vice President for Research and Economic Development (VPR) and the Contract or Other Binding Document must be reviewed and approved as specified by the VPR. The Vice President for Research and Economic Development may designate another individual to act on their behalf with regard to the review and approval of Contracts or Other Binding Documents in accordance with internal procedures established by the VPR.

3.4.1 A sponsored project award (including but not limited to grants, contracts, cooperative agreements, and other related agreements made in support of research or other sponsored projects).

3.4.2 A sponsored classified project award (including but not limited to classified grants, contracts, cooperative agreements, and other related agreements made in support of classified research or other classified projects).

3.4.3 A sponsored economic development project award (including but not limited to economic development grants, strategic alliance contracts, partnerships, cooperative agreements, and other related agreements made in support of economic development or other economic development projects).

3.5 Office of General Counsel. The Office of General Counsel must review and approve any agreement to settle or release a legal claim or dispute; any Other Binding Document relating to a legal claim or dispute; any Contract for legal services; and any Contract or Other Binding Document relating to an attorney/client relationship (including attorney/law firm engagement letters, joint representation agreements, and conflict of interest waivers). The Office of General Counsel must also review all other Contracts and Other Binding Documents except as otherwise established in applicable Office of General Counsel protocols, processes, and procedures or where the Office of General Counsel otherwise determines that its review is not necessary.

3.6 Purchasing Department. The Purchasing Department must review and approve all Contracts that involve the purchase or lease of goods or services, except as otherwise established in applicable Purchasing Department protocols, processes, and procedures or where the Purchasing Department otherwise determines that its review and/or approval is not necessary.

3.7 Office of Enterprise Risk Management. The Office of Enterprise Risk Management must review and approve all Contracts for insurance and all Contracts that require the University to provide or maintain insurance, except as otherwise established in applicable Office of Enterprise Risk Management protocols, processes, and procedures or where the Office of Enterprise Risk Management otherwise determines that its review and/or approval is not necessary.

3.8 Office of Information Technology Services. The Office of Information Technology Services must review and approve all Contracts that involve the purchase of hardware or software, which grant a third party the right to integrate with University IT infrastructure or access campus information containing University data, or that involve third-party service providers and cloud-based vendors that provide services that process or hold institutional data, in accordance with the protocols, processes, and procedures of the Office of Information Technology Services.

4 Contract Administration

Contract review and Execution is only the start of the contractual transaction or a relationship. The Contract Owner needs to continuously evaluate whether the Contract has been satisfied, that payments have been made timely, and that the work has been completed to agreed standards and is acceptable. If a contracting party has not performed its end of the bargain, the contracting party may be in breach of the Contract and the University may be able to seek damages or other remedies. If there is a potential or actual breach or a dispute about the completion of a Contract, please contact the Office of General Counsel as soon as possible to preserve the University's rights.

5 Record Retention

The Contract Owner is responsible for retaining a copy of the fully executed Contract and other business records relating to the Contract or created during the course of the Contract term. A statute of limitations defines the period of time in which a party has to take action against another party. The Rhode Island statute of limitations for breach of contract claims is generally ten (10) years from the date of breach. The University therefore requires that Contracts be retained for at least ten (10) years from the conclusion of the Contract.

6 Conflicts of Interest

University employees are prohibited from initiating or approving Contracts from which they will receive a direct personal benefit. All individuals involved with the review and approval of a Contract, including Contract Owners and Authorized Signatories, must act in a manner consistent with the laws of the State of Rhode Island, rules promulgated by the Rhode Island Ethics Commission, and applicable University policies.

7 Unauthorized Commitments or Agreements

No individual has authority to bind the University or the Board of Trustees other than as set out in this policy and no commitment or agreement will be binding on the University or the Board of Trustees if signed by an individual without authority as set out in this policy.

Individuals who enter into commitments or agreements without the requisite authority may be personally liable for the obligations assumed under such agreements. University administrators, faculty, staff, or students who enter into unauthorized agreements may also be subject to disciplinary action, up to and including dismissal. Failure to otherwise comply with this policy will be addressed in accordance with the applicable University policies, procedures, and Collective Bargaining Agreements.

8 Exceptions

None

Policy Review and Revisions

Policy #	Effective Date	Reason for Change	Changes to Policy
01.014.1	02/20/23	n/a	n/a