

Approval Authority (Non-employment Related) Policy Agreements with External Organizations

In order to assure compliance with the law and with policies of Drake University, as well as to manage various contractual risks, contracts and agreements may only be signed by persons who have the appropriate expertise and requisite authority.

The Board of Trustees has delegated authority (Effective: October 3, 2009/ revised January 16, 2010) for most transactions to specific University officials, while retaining authority over a limited number of transactions (see list below). This policy is intended to communicate those levels of authority and ensure that contracts and agreements with Drake University are properly executed. This policy applies to all contracts other than employment agreements.

Levels of Authority

| Dept / Agent | Conditions / Information | Level of Authority |
|--|---|---|
| President | General | Up to BOT Limit |
| Vice President of Business & Finance | General | Up to BOT Limit |
| Provost | Educational Consortia Joint Educational Projects Affiliation Agreements Student Exchange Agreements | Less than \$25,000 and/or no indemnification requirement |
| | General | \$10,000 or less and one year or less |
| Associate Vice President, Business & Finance | All Non-Federal Grants | |
| | General | \$10,000 or less and one year or less |
| Vice President for Development and Alumni Affairs | Donor Memoranda of Agreement | |
| | General | \$10,000 or less and one year or less |
| Vice President for Admissions and Student Financial Planning | General | \$10,000 or less and one year or less |
| Senior Advisory Council (SAC) Members | General | \$10,000 or less and one year or less |
| Board of Trustees | All real estate purchases and sales, security interests, and permanent easements (except for sales/purchases under \$100,000) All land leases Acceptance of gifts of real estate Construction of capital improvement projects with an estimated cost of \$1 million or more Architectural, engineering, construction management and other design professional and consulting services on capital improvement projects with budgets of \$1 million or more All long-term debt transactions (i.e., bank notes, bonds) Legal settlements in excess of \$100,000 Retention of audit services (external and internal) | |

All contracts/agreements with a term greater than one year* and/or a financial commitment greater than \$10,000 need to be forwarded to the office of Business and Finance with the [contract approval routing form](#) (see [forms library](#)), for final approval and/or signature. A database of all applicable agreements is maintained by the Office of Business and Finance.

**this includes one-year agreements that have an auto renewal clause*

Business Contract Routing Instructions/Guide

The [business contract routing form](#) is to be used to ensure the timely and appropriate handling of legal documents. Drake University business contracts with a commitment of \$10,000 or more and/or a time commitment for more than 12 months must be forwarded to the Business and Finance office for review prior to commitment.

Department Approval Required

The department initiating the contract must review the contract. Follow these guidelines when reviewing agreements and contracts:

1. Financial Commitment – Please indicate source of funds for the agreement and complete the FOAPAL information.
2. Department Info – who should be contacted if there are any questions regarding the agreement? Also include who will be processing the agreement for signature from the vendor and returning the final copy to Business & Finance.
3. Vendor Information/Identity
 - a. The contract should properly identify both parties. The contract needs to include a contact, title, company name, address, city, state, zip, phone and e-mail. Please include this information on the [routing form](#).
 - b. Agreements are made between Drake University and the intended party. Therefore the agreement should refer to Drake University not the department, school or individual. Drake University should be used not “university”
 - c. The individual in the department negotiating the contract should confirm that the company and/or product and/or service are legitimate and ethical.
4. Term
 - a. Confirm the agreement has a start and end date. List these dates on the form
 - b. A long term contract should include language to permit early termination of the agreement.
5. Purpose
 - a. The document should accurately reflect the obligations of both parties to the agreement.
 - b. Any obligation on behalf of Drake University is understood by the responsible individual and the individual is able to fulfill the obligation
 - i. Ensure compliance with purchase order policy found on accounting site
 - ii. protect the interest of Drake University – is there any conflict of interest
 - iii. Any risks have been assessed and are understood
6. University Approvals – please indicate your approval by inserting your name, title and date of approval.

Submit Agreement for Approval

1. The completed routing form and a pdf of the agreement should be sent via e-mail to Business and Finance - BFCContracts@drake.edu.
2. Please allow 10 business days. Business and Finance will review, sign and return the agreement in a timely fashion. However, there are times when additional information and counsel are necessary.

File Executed Agreement with B&F

1. When the agreement is signed by both parties, please submit a copy with all signatures to Business and Finance office to be placed in the permanent file. This can be a pdf sent to BFCContracts@drake.edu.