



AMERICAN UNIVERSITY
WASHINGTON, DC

TO: Deans, Directors, Department Heads

FROM: Doug Kudravetz, Interim CFO, Vice President and Treasurer

SUBJECT: Signatory Authority

DATE: June 6, 2014

Specific university personnel, designated by the Board of Trustees, are authorized to sign contracts, legal papers, checks, and other official university documents. At its most recent meeting, AU's Board of Trustees passed a revised resolution designating individuals with specific signatory authority. Attached is a copy of the resolution, including a table specifying where documents need to be routed for review and who has signatory authority for those documents. The document review routing indicated in the table is not intended to replace any internal review processes departments have in place.

Please keep in mind that many documents are contracts even though they may not be formally labeled as such. Any document that outlines a transfer of goods or services in exchange for some form of payment is a contract. The Office of General Counsel and the Office of Finance and Treasurer work together to make sure that the university's contractual agreements are both legally sufficient and sound from a business perspective. Given appropriate lead time, staff in Procurement and Contracts and the General Counsel's Office will assist you in drafting contracts. While the responsibility for signing these documents is limited, it is important that each of you take responsibility for:

- a) receiving appropriate authorization before developing new contracts;
- b) knowing the terms and conditions of any contract that affects your department;
- c) complying with the terms of university contracts;
- d) ensuring that all appropriate departments within the university are aware of the terms of contracts; and
- e) notifying the Executive Director of University Safety Programs (x2534) if there is an injury or claim made as a result of your contractual undertaking.

If you are not a designated signatory, you are not authorized to commit the university by signing any type of contractual agreement. AU's auditors and insurance companies consider compliance with our signatory policy to be of significant importance in protecting the university, and we appreciate your assistance in ensuring ongoing compliance.

If you have questions, please do not hesitate to call my office at x2700.



AMERICAN UNIVERSITY

W A S H I N G T O N , D C

SCOTT A. BASS
PROVOST

MEMORANDUM

April 6, 2017

TO: Neil Kerwin, President
FROM: Scott A. Bass, Provost
Doug Kudravetz, CFO
SUBJECT: Proposed Revision to Signatory Authority Policy

The university's current signatory authority policy for sponsored program contracts requires that:

“Sponsored contracts from a U.S. Source in excess of \$500,000 and from all international sources (regardless of amount) be signed by the President.”

Over the past few years, we have seen an increase in the number of US sourced contracts over \$500,000 and contracts from international sources (any amount). Processing these contracts require a review by staff in the Office of Sponsored Programs and the Office of Graduate Studies and Research who have the technical training and expertise in this area of contracting. After reviewing, the contracts are currently physically taken to both the Office of the Provost for approval (the OSP is located at the Spring Valley Building) and then walked to the President's Office for final signature. It is unlikely that the Provost and the President have time to actually read the multi-page documents before signing and therefore rely on the technical expertise of the staff who have reviewed the documents. We find this process inefficient and not in accordance with best practice at higher education institutions (see attached documentation).

We would like to propose a change to the Signatory Authority Policy, effective May 1, 2017, giving signatory authority for all sponsored contracts from all sources (U.S. and international) regardless of amount to any one of the following university officials already named in the policy:

Provost; Dean of Graduate Studies/Vice Provost for Research; Vice Provost for Academic Administration; Director of Sponsored Programs. In addition, all contracts committing university facilities will require review and approval of both the Provost and the CFO.

Let us know if you need additional information. Your approval would be appreciated, as it will improve efficiency without risk to AU.

OFFICE OF THE PROVOST

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AMERICAN UNIVERSITY

Washington, DC

BOARD OF TRUSTEES

May 16, 2014

Signatory Policy

Resolution

WHEREAS, American University bylaws provide that the President and other University administrators designated by the President and approved by the Board have authority to execute and acknowledge on behalf of the University any contracts, legal documents, and instruments in connection with University operations; and,

WHEREAS, this Resolution does not authorize University officers and administrators to encumber or sell any real property without the express authorization of the Board of Trustees; and the Resolution is limited to the purposes set forth herein; and,

WHEREAS, all individuals involved in financial transactions within the University have a fiduciary responsibility to safeguard the assets of the institution and are expected to adhere to the University's Code of Business Ethics in all dealings inside and outside of the University; and,

WHEREAS, the attached document is intended to define the limits of authority designated to specified positions of responsibility with the University and to establish the types and maximum amount of obligations that may be approved by those positions; and,

WHEREAS, all previous signature authorizations and resolutions for said purposes dated prior to the date hereof are hereby revoked as of midnight May 16, 2014; now therefore

BE IT RESOLVED by the Board of Trustees, that effective May 16, 2014, the University officers and administrators listed in the attached document are authorized to execute and acknowledge on behalf of American University the instruments, contracts, grants, proposals, and documents listed.

Delegation of Signatory Authority

Type of Transaction	Transaction Definition	Document Review	Authorized Signatory
Academic Affiliation Agreements	MOAs and supplements (under \$500,000)	All of the following: <ul style="list-style-type: none"> •Dean •Vice Provost of Graduate Studies & Research •Vice Provost of Undergraduate Studies •Vice Provost for Academic Administration 	<ul style="list-style-type: none"> •Provost •Vice Provost for Academic Administration
	MOAs and supplements (in excess of \$500,000)	All of the following: <ul style="list-style-type: none"> •Vice Provost of Graduate Studies & Research •Vice Provost of Undergraduate Studies •Vice Provost for Academic Administration 	<ul style="list-style-type: none"> •Provost
Attestation and Use of the Corporate Seal	Affixing the Corporate Seal to documents on behalf of American University		<ul style="list-style-type: none"> •President •CFO •Secretary of the University •Assistant Secretary of the University
Contracts	General contracts, leases, deeds of gift, legal documents and other business instruments connected to the operation of the University, excluding real estate or endowment funds and assets (under \$100,000)	All of the following: <ul style="list-style-type: none"> •Dean/Director/Department Head •Executive Director University Safety Programs (Risk Exposure & Insurance Review) 	<ul style="list-style-type: none"> •Controller •Director of Procurement and Contracts •AVP of Risk Mgmt. and Safety Services
	General contracts, leases, deeds of gift, legal documents and other business instruments connected to the operation of the University, excluding real estate or endowment funds and assets (\$100,000 - \$250,000)	All of the following: <ul style="list-style-type: none"> •Dean/Director/Department Head •Executive Director University Safety Programs (Risk Exposure & Insurance Review) •Director of Procurement and Contracts 	<ul style="list-style-type: none"> •Assistant Treasurer •AVP of Risk Mgmt. and Safety Services

Delegation of Signatory Authority

Type of Transaction	Transaction Definition	Document Review	Authorized Signatory
Contracts (cont.)	General contracts, leases, deeds of gift, legal documents and other business instruments connected to the operation of the University, excluding real estate or endowment funds and assets (\$250,000 - \$500,000)	All of the following: <ul style="list-style-type: none"> •Dean/Director/Department Head •Executive Director University Safety Programs (Risk Exposure & Insurance Review) •Director of Procurement and Contracts •Associate VP and Assistant Treasurer 	•CFO
	General contracts, leases, deeds of gift, legal documents and other business instruments connected to the operation of the University, excluding real estate or endowment funds and assets (in excess of \$500,000)	All of the following: <ul style="list-style-type: none"> •Dean/Director/Department Head •Executive Director University Safety Programs (Risk Exposure & Insurance Review) •Director of Procurement and Contracts •Associate VP and Assistant Treasurer •CFO 	•President
	Professional Service Agreement (PSA), Work Made for Hire and Medical PSAs with no changes (under \$10,000)		•Dean/Director/Department Head
	Professional Service Agreement (PSA), Work Made for Hire and Medical PSAs (in excess of \$10,000) and/or with changes)	All of the following: <ul style="list-style-type: none"> •Dean/Director/Department Head •Executive Director University Safety Programs (Risk Exposure & Insurance Review) 	•Controller •Director of Procurement and Contracts •AVP Risk Mgmt. and Safety Services
Endowed Gift Agreements	Gift agreements directing the gift to the University's endowment	•CFO •General Counsel Vice President of Development and Alumni Relations	•President
Faculty Personnel Documents	Faculty personnel documents excluding, consulting and personal service agreements	•Dean/Director/Department Head	•Provost •Sr. Vice Provost / Dean Academic Affairs •Vice Provost for Academic Administration

Delegation of Signatory Authority

Type of Transaction	Transaction Definition	Document Review	Authorized Signatory
	Adjunct Faculty personnel documents excluding, consulting and personal service agreements	<ul style="list-style-type: none"> •Dean/Director/Department Head 	<ul style="list-style-type: none"> •Sr. Vice Provost/Dean Academic Affairs •Associate Vice Provost for Academic Affairs •Vice Provost for Academic Administration
Inter-bank Transfers	Legal instruments and documents necessary for the investment, assignment and/or transfer of University funds and assets (under \$250,000)	<ul style="list-style-type: none"> •Sr. Director Treasury Mgmt. 	<ul style="list-style-type: none"> •Assistant Treasurer •Sr. Director Treasury Mgmt.
	Legal instruments and documents necessary for the investment, assignment and/or transfer of University funds and assets (under \$500,000)	<ul style="list-style-type: none"> •Sr. Director Treasury Mgmt. •Assistant Treasurer 	<ul style="list-style-type: none"> •CFO
	Legal instruments and documents necessary for the investment, assignment and/or transfer of University funds and assets (in excess of \$500,000)	<ul style="list-style-type: none"> •Assistant Treasurer •CFO 	<ul style="list-style-type: none"> •President
Litigation Documents	Legal pleadings, service of process and court documents	<ul style="list-style-type: none"> •General Counsel 	<ul style="list-style-type: none"> •President •CFO •General Counsel or duly appointed counsel

Delegation of Signatory Authority

Type of Transaction	Transaction Definition	Document Review	Authorized Signatory
Matching Gifts	Matching gift agreements or private support grants, excluding research grants (under \$100,000)		<ul style="list-style-type: none"> •VP of Development •Assistant VP of Development
	Matching gift agreements or private support grants, excluding research grant (in excess of \$100,000)	<ul style="list-style-type: none"> •VP of Development and Alumni relations •Assistant VP of Development 	<ul style="list-style-type: none"> •President •CFO •Assistant Treasurer
Payments	Negotiable instruments, checks and electronic payments of American University (under \$50,000)		<ul style="list-style-type: none"> •Assistant Treasurer •Controller •Sr. Director Treasury Mgmt.
	Negotiable instruments, checks and electronic payments of American University (in excess of \$50,000)	<ul style="list-style-type: none"> •Controller 	<p>Two of the following signatures:</p> <ul style="list-style-type: none"> •President •CFO •Assistant Treasurer •Controller •Sr. Director Treasury Mgmt.
Real Estate Agreements	Real estate transactions, including purchase agreements, loan documents, and related documents, and real estate sales agreements approved in advance by the Board of Trustees or the Executive Committee of the Board of Trustees	<ul style="list-style-type: none"> •Assistant Treasurer 	<ul style="list-style-type: none"> •President •CFO

Delegation of Signatory Authority

Type of Transaction	Transaction Definition	Document Review	Authorized Signatory
Securities Transactions	Sale, assignment, transfer, liquidation, or other disposal of gifts of securities, excluding endowment funds and assets		<ul style="list-style-type: none"> •President •CFO •Assistant Treasurer •Sr. Director Treasury Mgmt.
Sponsored Grants and Contracts	Sponsored Proposals	<ul style="list-style-type: none"> •Principal Investigator •Dean •Office of Sponsored Programs 	<ul style="list-style-type: none"> •Vice Provost of Graduate Studies & Research •Vice Provost for Academic Administration •Director of Sponsored Programs
	Sponsored contracts from a U.S. source (under \$100,000)	<ul style="list-style-type: none"> •Principal Investigator •Dean •Office of Sponsored Programs •Executive Director University Safety Programs (Risk Exposure & Insurance Review) 	<ul style="list-style-type: none"> •Vice Provost of Graduate Studies & Research •Vice Provost for Academic Administration •Director of Sponsored Programs
	Sponsored contracts from a U.S. source (\$100,000 - \$250,000)	<ul style="list-style-type: none"> •Principal Investigator •Dean •Office of Sponsored Programs •Executive Director University Safety Programs (Risk Exposure & Insurance Review) 	<ul style="list-style-type: none"> •Vice Provost of Graduate Studies & Research •Vice Provost of Academic Administration
	Sponsored contracts from a U.S. source (\$250,000 - \$500,000)	<ul style="list-style-type: none"> •Principal Investigator •Dean •Office of Sponsored Programs •Executive Director University Safety Programs (Risk Exposure & Insurance Review) 	<ul style="list-style-type: none"> •Provost •Vice Provost of Graduate Studies & Research •Vice Provost of Academic Administration •Co-signed by CFO if facilities or services involved.

Delegation of Signatory Authority

Type of Transaction	Transaction Definition	Document Review	Authorized Signatory
	Sponsored contracts from a U.S. source (in excess of \$500,000) and all international sources	<ul style="list-style-type: none"> •Principal Investigator •Dean •Office of Sponsored Programs •Executive Director University Safety Programs •Provost/Vice Provost Academic Admin. •CFO of facilities or services involved 	<ul style="list-style-type: none"> •President

1. All signatories with signatory authority greater than any stated amount may execute documents of lesser value within the same category of authorization, and in the same manner as signatories within the category of lesser value.
2. All contracts and documents in excess of Five Million Dollars (\$5,000,000), and executed by virtue of this Policy, will be reported by the President to the Board of Trustees or the Executive Committee.