

Policies and Procedures Handbook

Illinois Institute of Technology

Procedure No.: Q.1

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Subject: Authority for Negotiation and Approval
of Contracts

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I. Purpose

In the conduct of its educational and research programs, IIT is a party to many kinds of contracts. This policy defines the authority of specified IIT officials to enter into transactions that commit university resources or otherwise legally obligates the university.

An individual does not have authority to initiate or to enter into a contract or transaction, and should not represent that he or she has authority, unless such authority is specifically provided for in this or other policy documents. If authority is not clear, the General Counsel's Office should be consulted. IIT shall have no obligation to honor contracts or transactions entered into that are not in compliance with this policy.

II. Institutional Authority

IIT's corporate governance documents give the president and vice presidents authority to contract. To facilitate the process for negotiation and approval of contracts, the president, who may execute any contract, has delegated certain contractual authority and responsibility to specific staff positions that, within the limitations specified below, are empowered to enter into contracts on behalf of IIT.

Certain types of transactions, such as those involving bank accounts, bequests, real estate, capital projects and other substantial transactions, may require approval by the Board of Trustees. The individual handling the transaction should ensure that the transaction has the necessary approval. If it is unclear whether such approval is required, the General Counsel's Office should be consulted.

As discussed more fully in Section V below, although certain types of transactions may require review and approval regardless of size, in general, all contracts for goods and/or services in excess of \$100,000 must be submitted to the General Counsel's Office for review. If there are incremental orders with a single vendor that will exceed \$100,000 in total over any 12-month period, then there must be a contract with the vendor and it must be reviewed by the General Counsel's Office. Regardless of the dollar amount, the General Counsel's Office will, upon request, review any contract.

III. Contract Requirements

The individual approving any transaction forming a commitment between IIT and a third party is responsible and accountable for assuring that:

1. He or she has the authority to approve the transaction or execute a contract.
2. Where required, all appropriate institutional reviews and approvals have been obtained in advance of any commitment being made.
3. The transaction complies with all applicable federal, state and local laws as well as conforms to all applicable IIT policies, including, without limitation, those relating to equal employment opportunity, minority and women-owned business contracting, privacy and health and safety.
4. If the transaction involves acquisition or disposal of hazardous substances, it has been approved by IIT's Director of Environmental & Occupational Safety.
5. Where appropriate, an assessment has been made of the likely impact of the transaction on other elements of IIT and the broader community and appropriate consultation has taken place with any constituencies that might be impacted.
6. Funds for the transaction have been allocated or are otherwise available within regularly approved budgets, special appropriations or restricted or designated accounts.
7. No real or apparent conflict of interest exists on the part of the approving individual or any other individual organization involved in the transaction, and where a real or apparent conflict of interest does exist, it is resolved, prior to entering into the transaction.

IV. Authorized Signatories

<u>Type of Transaction</u>	<u>Responsible Individual(s)</u>
Bank accounts	Chief Financial Officer or Controller
Benefits-related contracts	Chief Financial Officer or Associate Vice President of Human Resources
Computer-related contracts	
Hardware acquisition	Chief Financial Officer or if contract value is less than \$100,000, Chief Information Officer
Software licensing	Provost or Chief Information Officer
Faculty contracts	Provost or as designated by the Provost, the relevant Dean
Financial aid	
Participation agreements	Chief Financial Officer or Director of Financial Aid

<u>Type of Transaction</u>	<u>Responsible Individual(s)</u>
Loan agreements	Director of Financial Aid
Financial matters	
Audit/other related services	Chief Financial Officer
Borrowings and investments	Chief Financial Officer
Insurance policies and settlements	General Counsel
Write-offs of student accounts and other accounts receivable	Chief Financial Officer, Controller or Bursar
Gifts	
Proposals and acceptances	Vice President for Institutional Advancement or Chief Financial Officer
Acknowledgements (stock gifts)	Chief Financial Officer
Deferred giving agreements	Vice President for Institutional Advancement or Chief Financial Officer
Life income agreements	Vice President for Institutional Advancement or Chief Financial Officer
Housing	
Leases	Dean of Students, Associate Vice Provost for Residence & Greek Life or Director of Residence Life
Maintenance agreements	Dean of Students or Vice President for Facilities & Public Safety
Room and board contracts	Dean of Students, Associate Vice Provost for Residence & Greek Life or Director of Residence Life
Use of housing facilities	Dean of Students, Associate Vice Provost for Residence & Greek Life or Director of Residence Life
International	
Articulation agreements	President or Provost
Industry collaboration agreements	President or Provost

<u>Type of Transaction</u>	<u>Responsible Individual(s)</u>
Purchasing	
Purchase orders, agreements, and contracts related to the procurement of goods and services	Director of Purchasing
Designation of authorized contracting	Chief Financial Officer or Controller
Real estate and facilities-related matters	
Purchases, sales, gifts and leases of real estate	Chief Financial Officer or Controller
Construction and renovation of facilities costing under \$1.0 million	Vice President for Facilities & Public Safety or Facilities director-level designee
Construction and renovation of facilities costing \$1.0 million to \$2.499 million	President
Maintenance of facilities	Vice President for Facilities & Public Safety or Facilities director-level designee
Architectural engineering services and facility studies	Vice President for Facilities & Public Safety or Facilities director-level designee
Significant dollar transactions and long-term transactions	
All non-investment transactions with (i) dollar amounts greater than \$1 million but less than \$2.5 million and projects with contracts which in a 12-month period will fall within these limits, or (ii) dollar amounts greater than \$100,000 and terms greater than 5 years	President, with information on transaction to be presented to the Executive Committee of the Board of Trustees; provided that the President may authorize the appropriate Vice President to execute such contract upon the President's approval of the contract
All non-investment transactions with dollar amounts greater than \$2.5 million but less than \$25 million	The Executive Committee of the Board of Trustees
All non-investment transactions greater than \$25 million	The Board of Trustees
Investment transactions	President and the Board of Trustees
All non-investment transactions with dollar amounts up to \$1 million	Chief Financial Officer

<u>Type of Transaction</u>	<u>Responsible Individual(s)</u>
Sponsored programs:	
Patents, licenses, and related transactions	Provost; provided that the Provost may authorize an appropriate Vice Provost or Vice President to execute such contract upon the Provost's approval of the contract
Proposals, awards, contracts, grants, and other sponsored program-related agreements, including NDAs and MTAs	Vice Provost for Research, Deputy Vice Provost for Research, Director of Sponsored Research & Programs or Deputy Director of Sponsored Research & Programs
Union contracts	Any two of the following: Provost, Chief Financial Officer, Vice President for Facilities and Public Safety or Associate Vice President of Human Resources
Other:	
Agreements for short-term use of campus facilities	Vice President Marketing & Communications or Director of Event Services; provided that if the campus facility is (i) Keating Hall, then the Director of Athletics or designee, or (ii) academic laboratory space or comparable facilities, then the relevant Dean
Federal, State and local licenses	General Counsel
Entertainment contracts	Vice President Marketing & Communications, Director of Event Services, Dean of Students or Associate Vice Provost for Campus Life
Food service contracts	Vice President for Finance and Administration
Catering contracts with outside vendors (i.e., any vendor other than the provider of university food service)	Vice President for Finance and Administration
Outside legal services	General Counsel
Printing and Media Services	Vice President Marketing & Communications or Associate Vice President for Marketing & Communications

V. General Counsel's Office

The General Counsel is responsible for rendering legal advice to all authorized representatives of IIT. The General Counsel's Office should be consulted in a timely fashion where appropriate to assure that contracts and other agreements fully protect the rights and other interests of IIT, conform to university policy, and are consistent with all applicable laws. The General Counsel's Office is available to assist with the legal aspects of any contract provision. Contracting officers are required to consult with the General Counsel's Office prior to execution of (i) any contract with a value that equals or exceeds \$100,000, or (ii) when, in the judgment of the contracting officer, the agreement includes provisions which pose a substantial risk to IIT or includes new, non-standardized provisions with which the officer is not familiar.

VI. Indemnification

IIT will defend any IIT employee against legal claims based upon an act, omission or transaction that arises within the scope of IIT employment and in the performance of authorized duties. This policy should be considered in relation to these procedures as the protections afforded by the indemnification policy do not extend to personal, unofficial or unauthorized acts, omissions and transactions.