BOARD POLICY 300.1

# CONTRACTING AUTHORITY

## I. Purpose

This policy provides for delegation of the authority to execute contracts on behalf of the Board of Trustees, including contracts for the benefit of a campus, division, or unit ("campus") of the University of Arkansas.

## II. General Authority

The President and the Chief Financial Officer are authorized to execute all contracts on behalf of the Board of Trustees, in its name or on behalf of any campus of the University of Arkansas.

The Board of Trustees shall be the contracting party for each contract. Each contract shall also indicate the particular campus for which the contract is applicable. Contracts made only in the name of a campus, school or college, academic department, etc., are not authorized and are unenforceable. Written agreements between campuses shall be made in the name of the campuses.

## III. President's Authority to Delegate

The President is authorized to delegate to the Chancellor or chief executive officer of each campus, and to such other campus officials as the President deems appropriate, the authority to contract in the name of the Board of Trustees in the normal course of campus operations when the President determines that the efficiency, effectiveness, and best interests of the Board will be well served by such delegation, subject to the limitations described in this policy.

## IV. Limits on Delegation

The President shall not delegate authority for the following: (a) a commitment to build or renovate a building, campus facility, or other structure with an estimated building or renovation cost exceeding $10,000,000; (b) any other contract for an amount exceeding $10,000,000 or exceeding 10 years in duration except for multi-year human subject research or sponsored clinical trial agreements; (c) a commitment to initiate or expand an academic program; (d) a commitment to continue expenditures of University funds after the termination or expiration of a contract; (e) an athletic related employment contract over $1,000,000 annually or for a term greater than five years; (f) a contract or other instrument affecting the title to real estate; (g) a contract for sponsored research, clinical trial agreement, or corporate sponsorship that exceeds $10,000,000; (h) an employment contract with a Chancellor or campus chief executive officer; (i) a non-athletic employment contract over $1,000,000 annually providing for payment of compensation or a financial penalty upon

termination for convenience; or (j) a contract that requires the signature of the President or Chief Financial Officer under applicable state or federal law or other Board policies.

The President shall establish procedures for the review of contracts prior to their execution.

V. Employment Contracts and Appointments

With the exception of employment contracts described in Section IV, the Chancellor or chief executive officer of each campus may originate and sign any employment contract of campus personnel.

Chancellors and campus chief executive officers are responsible for appointment of the vice chancellors and deans, the senior associate vice president for the Cooperative Extension Service and the senior associate vice president for the Agricultural Experiment Station, but may not appoint any person to those positions without the prior approval of the President, who shall be consulted regularly in the selection process and who shall have the discretion to participate in the interviews of finalists.[1]

VI. Applications for Research and Sponsored Programs and Corporate Sponsorships

The President is authorized to delegate to the Chancellor, chief executive officer, and vice chancellor of research (or comparable position) of a campus or a designee, the authority to review, approve, and sign all applications or proposals for research and sponsored programs, and associated agreements, and corporate sponsorship agreements. Delegation of authority to execute contracts for sponsored research and corporate sponsorships is subject to the limitations described in Section IV.

The President is further authorized to delegate to the Chancellor, chief executive officer and vice chancellor of research (or comparable position) of a campus, or a designee, the authority to transfer funds, data, or personal property between campuses as required to comply with external agreements for research and sponsored programs, or corporate sponsorships. The campuses may enter into an agreement for purposes of documenting such transfer, and such agreements may be made in the name of the campuses.

The President may establish a procedure to submit to the Chief Financial Officer reports for those applications or proposals that involve a capital outlay by the University or other matters in connection with research and sponsored programs and corporate sponsorships.

VII. Lease and Rental Agreements

The President is authorized to delegate to the Chancellor or chief executive officer of each campus the authority to lease, rent or license real property owned by the Board for a lease

[1] An appointment to a position does not create an employment contract, and is subject to all other Board and campus policies and UA Systemwide Policies and Procedures addressing appointment, termination, employment and employee benefits.

term no greater than two years and only for the following purposes: residential use, University-related programs or activities, and any other purposes approved by the President. Prior to execution of a lease, license, facility use or rental agreement, the Vice Chancellor for Finance or other appropriate campus administrator shall confirm that the lease or other document does not violate private activity use restrictions for tax exempt bond-financed facilities.

The President is authorized to delegate to the Chancellor or chief executive officer of each campus the authority to lease real property in the name of the Board for use by a campus in the normal course of campus operations when it is deemed that the efficiency, effectiveness and best interests of the University will be well served by such delegation. The President shall not delegate authority to lease real property where the term of the lease exceeds two years or where payments over the term of the lease will exceed $500,000.

VIII. Withdrawal of Delegation

The President may at his or her discretion withdraw at any time a specific delegation of authority granted by the President.

IX. Exceptions

The delegations of authority contained in this policy are limited by any state or federal law that prohibits or limits the power of the Board or the President to delegate signature authority for contracts.

X. General Counsel Review requirement

Subject to such exceptions as may be prescribed by the President, before execution all contracts shall be either reviewed by the Office of General Counsel or by an attorney designated by the General Counsel's Office. The General Counsel's Office may approve form agreements for recurring types of transactions.

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