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**Subject: University Contract Signature Policy and Procedures**

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## **1. Purpose**

This policy outlines authority and responsibilities of university administrative personnel with regard to executing and reviewing contracts.

## **2. Policy**

The Board of Visitors has designated M. Dwight Shelton as the university's Chief Contracting Officer for as long as he holds the position of Vice President for Finance and Chief Financial Officer. As such, he is authorized by the Board of Visitors to sign contracts and agreements on behalf of Virginia Tech and to delegate signature authority. Any requests for consideration of further delegation of contract signature authority should be submitted directly to the university's Contract Review Officer.

As contracts may originate from a vendor or from a department within the university, this policy establishes the guidelines for entering into a contract on behalf of the university. All contracts, including but not limited to memoranda of understanding/agreement, collaboration agreements, and affiliation agreements, must be reviewed by Legal Counsel before they are signed.

**ONLY THOSE POSITIONS OUTLINED IN THIS POLICY ARE AUTHORIZED TO SIGN UNIVERSITY CONTRACTS. NO OTHER EMPLOYEES ARE AUTHORIZED TO COMMIT THE UNIVERSITY.**

## **3. Procedures**

### **3.1 Contract Signature Authority**

M. Dwight Shelton, as Vice President for Finance and Chief Financial Officer, is the university's Chief Contracting Officer. In addition, the President retains signature authority for all university-level CLASSIFIED and UNCLASSIFIED contracts (as defined in Section 4).

### 3.2 Classified Contracts

In the case of CLASSIFIED contracts, the Assistant Vice President for Sponsored Programs, Office of Sponsored Programs, may sign CLASSIFIED confidentiality agreements, non-disclosure agreements, material transfer agreements, contract and grant documents, and other contractual agreements (agreements such as consulting and subcontract teaming, data use, licensing, software evaluation, etc.) related to sponsored programs. The Assistant Vice President for Finance and Controls, Office of Sponsored Programs, may sign in the absence of the Assistant Vice President for Sponsored Programs if the appropriate security clearance has been obtained.

Signature authority for CLASSIFIED contracts other than those mentioned above rests with the President and with M. Dwight Shelton as Chief Contracting Officer if the appropriate security clearance has been obtained.

### 3.3 Unclassified Contracts

Through authority delegated by the Board of Visitors, in the case of UNCLASSIFIED contracts, the Senior Vice President and Provost may sign in the absence of both the President and the Vice President for Finance and Chief Financial Officer. By authority delegated by the Board of Visitors, the President's Chief of Staff serves as the Contract Review Officer and is authorized to sign contracts up to \$1 million.

Contract signature authority and backup signature authority have been granted to the following positions for all contracts identified, regardless of dollar amount, except where specifically stated that a maximum dollar limit exists. The signatory's supervisor(s) may sign in the absence of the person with delegated authority.

1. The Vice President for Administration may sign deeds and real estate easements that are authorized by the Board of Visitors, real estate leases, service and/or operating agreements related to those matters solely under the purview of the Buildings and Grounds Committee of the Board of Visitors, and capital outlay contracts.
2. The Associate Vice President and Chief Facilities Officer may sign agreements related to construction and renovation projects, other than capital outlay and procurement activities.
3. The Director of Materials Management has the authority to sign:
  - a) Contracts up to \$1,000,000 for goods and/or services resulting from a competitive solicitation or sole source procurement process.
  - b) All university purchase orders, and the authority to delegate signatory authority for university purchase orders.
  - c) Addendums for contracts that do not affect the monetary value of the contract, or that are less than \$1,000,000.
4. The Assistant Director(s) of Procurement may be delegated the authority to sign purchasing contracts in amounts up to \$250,000 as determined by the Director of Materials Management.
5. The University Treasurer, through authority delegated by the Board of Visitors, may sign all contracts pertaining to investments and the issuance and ongoing management of debt (Resolution on Revisions to the Policy Governing the Investment of University Funds, March 2010). The Vice President for Finance and Chief Financial Officer may sign in the absence of the University Treasurer.
6. The Vice President for Finance and Chief Financial Officer, through authority delegated by the Board of Visitors, may administer the University's retirement programs, including the optional retirement plan and executive compensation program, and the Cash Match Program (Resolution to Delegate Authorities and Responsibilities, March 2008).

7. The Director of Benefits and Assistant Vice President for Human Resources are delegated primary and backup signature authority, respectively, for all tax shelter transactions, including annuity enrollments, rollovers, transfers, withdrawals, and terminations.
8. The Associate Vice President for University Relations has the authority to sign all trademark licensing agreements on behalf of the university.
9. The Vice President for Research may sign disclosure agreements and material transfer agreements. The Vice President for Research has the authority to delegate signature authority for disclosure agreements and material transfer agreements to members of the Office of Research staff.
10. The Vice President for Research or the Assistant Vice President for Sponsored Programs may sign confidentiality agreements, non-disclosure agreements, material transfer agreements, contract and grant documents, and other contractual agreements (agreements such as consulting and subcontract teaming, data use, licensing, software evaluation, etc.) related to sponsored programs. The Director of Pre-Award (OSP) may sign in the absence of the Assistant Vice President for Sponsored Programs. The Director of Post-Award (OSP) may sign in the absence of both the Assistant Vice President for Sponsored Programs and the Director of Pre-Award (OSP).
11. The Associate Vice President for Research Operations may sign all Virginia Tech Intellectual Property (VTIP) assignments of intellectual property.
12. The Director of Cooperative Extension may sign cooperative agreements for extension services. The Director of Operations, College of Agriculture and Life Sciences may sign in the absence of the Director of Cooperative Extension. The Director of Agricultural Experiment Stations may sign in the absence of both the Director of Cooperative Extension and the Director of Operations, College of Agriculture and Life Sciences.
13. The Director of Agricultural Experiment Stations may sign contract and grant documents for projects of the Agricultural Experiment Stations. The Director of Operations, College of Agriculture and Life Sciences may sign in the absence of the Director of Agricultural Experiment Stations. The Director of Cooperative Extension may sign in the absence of both the Director of Agricultural Experiment Stations and the Director of Operations, College of Agriculture and Life Sciences.
14. The Vice President for Outreach and International Affairs may sign outreach contracts and agreements up to \$250,000.
  - a) The Associate Vice President for Engagement may sign sponsored outreach contracts (not involving cost-sharing) up to \$150,000.
  - b) The Director of Continuing and Professional Education may sign continuing education contracts up to \$100,000 and Technical Assistance Program (TAP) agreements.
  - c) The Hotel Controller, Inn at Virginia Tech, may sign group sales contracts up to \$75,000 for meeting space, lodging and catering services related to scheduling events at the Inn at Virginia Tech.
15. The Director of Athletics may sign scheduling and lodging contracts pertaining to intercollegiate sporting events. The Senior Associate Director of Athletics/Senior Woman Administrator may also sign.
16. The Director of Financial Aid may sign Commonwealth of Virginia Work-Study Program Employer Agreements.

17. The Vice Provost for Enrollment and Degree Management may sign special arrangement contracts related to in-state tuition.
18. The University Bursar may sign:
  - a) Contracts related to the payment of tuition and fees.
  - b) Bankruptcy agreements.
  - c) Lost check (stop-payment) agreements.
19. The University Controller may sign vendor credit applications and agreements. The University Controller has the authority to delegate signature authority for vendor credit applications and agreements to members of the Controller's Office staff.
20. Those at the level of Department Head or above (as defined by Senior Management areas) are delegated the authority to sign contracts that do not go through the Procurement Department, are not specifically designated above, and that affect only members of the specific department or college in which the contract is being signed. The signatory has the responsibility to ensure that University Legal Counsel reviews each contract before it is signed. Specific documents that may be signed at the Department Head level or above are:
  - a) Commonwealth of Virginia Sales and Use Tax Exemption Forms (ST-12).
  - b) Contracts for goods/services purchased under the university Direct Payment Procedures per Policy 3320.
  - c) Contracts for goods and/or services valued up to \$2,000 that are not placed against university contracts.
  - d) Orders for goods and/or services of any value entered in the HokieMart and placed against university contracts, with the exception of computer hardware that is capped at \$20,000 maximum. Authority to place orders may be re-delegated to those with Approver authority in the HokieMart.
  - e) Internship agreements.

**ONLY THOSE POSITIONS OUTLINED IN THIS POLICY ARE AUTHORIZED TO SIGN UNIVERSITY CONTRACTS. NO OTHER EMPLOYEES ARE AUTHORIZED TO COMMIT THE UNIVERSITY.**

### **3.4 Departmental Responsibilities**

It is the responsibility of the department generating the contract to ensure that the commitment of all resources (funding, personnel, facilities and space) is met. If resources are not available to the generating department, the person responsible for generating the contract must ensure through the appropriate level (dean or vice president) that resources will be made available.

The generating department must send all contracts, other than those related to competitive solicitation or sole source, to University Legal Counsel for review of legal sufficiency before signing. In addition, all software license agreements must also be sent to Information Technology Acquisitions (Computing Purchasing) along with a copy of the corresponding purchase order.

The generating department maintains the signed original university document record, according to the University and State Records Retention Schedules, of all contracts that are not processed through Procurement or Computing Purchasing. Each department that signs contracts should maintain a log documenting vendor, type of contract, period of contract, amount, signatory, and date signed.

### 3.5 Procurement Department Responsibilities

The Procurement Department is the primary repository for contracts, agreements, riders, and related legal documents as a result of a competitive solicitation or sole source process when goods and services are obtained in accordance with established university procurement policies and procedures and the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and Their Vendors. Purchasing logs the contract, assigns a contract number, reviews the contract for completeness, contacts the department if there are questions, and forwards contracts when deemed necessary to University Legal Counsel for review. Procurement maintains the signed original university document of record of all contracts that are processed through the Procurement Department.

### 3.6 Information Technology Acquisitions Department Responsibilities

The Information Technology Acquisitions (ITA) Department is the point of contact for all contracts related to computer hardware and software. Contracts arising from the ITA Department have been established in accordance with the Virginia Tech Procurement Department policies and procedures and the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and Their Vendors. The ITA Department reviews, obtains Legal Counsel review, and signs all contracts – whether or not money is involved – for computer hardware, software, testing, and maintenance. The ITA Department maintains the signed original university document of record for all contracts that are processed through their office.

### 3.7 University Legal Counsel Responsibilities

University contracts, including collaboration agreements and MOUs/MOAs, must be sent to University Legal Counsel for review before obtaining signatures to enter into a contractual arrangement. University Legal Counsel reviews all contracts for legal content and sufficiency in accordance with Virginia law. University Legal Counsel is the final authority on interpretation of the law.

Contracts reviewed by University Legal Counsel are entered in a log. The log serves as a central point of contract information to trace the originating department in case a question comes to University Legal Counsel.

University Legal Counsel will return contracts to the originating department. All necessary deletions, insertions, or changes to the contractual terms and conditions in compliance with Virginia law or university policy will be noted by University Legal Counsel in a memorandum and returned to the originating department. The originating department is required to make the changes to the contract in accordance with University Legal Counsel's instructions.

### 3.8 University Contract Review Officer

The President's Chief of Staff is authorized by the Board of Visitors to serve as the university's Contract Review Officer. Once reviewed and approved by University Legal Counsel, all contracts requiring the President's or Chief Contracting Officer's signature should be forwarded, with Legal Counsel's approval memo attached, to the Contract Review Officer. Requests for additional delegation of authority or changes to the contract signature policy are coordinated through the Contract Review Officer.

### 3.9 Contract Language and Review Procedures

All contracts should read as follows:

1. The university is referred to in all contracts as **Virginia Polytechnic Institute and State University**, not as Virginia Tech.
2. Wording changes, deletions, and insertions must be made on the original contract and to all copies of the contract. In the Commonwealth of Virginia, copies of the original contract are equally as binding as the original.

3. Deletions should be made by striking the text. Do not remove or use "white-out" for deletions.
4. Under Virginia law, there are certain terms found in many contracts that must be stricken (deleted) from the contract. These include:
  - a) Choice of Law provision: the contract is subject to the laws of the Commonwealth of Virginia, not to those of other states.
  - b) Binding arbitration references.
  - c) Union hiring, representation (and personnel) provisions; Virginia is a Right-to-Work state.
  - d) Extreme or unusual request by the performers or suppliers.
  - e) Indemnification clauses, indicating that the university or its agents are responsible if (something) occurs.
5. The university, within the terms of the contract, may be "hereinafter called" Agency, Sponsor, Purchaser, etc. It is recommended that the university be referred to as PURCHASER in contractual documents. The term EMPLOYER should not be used. The name designating the university should not vary within a contract and should be consistent from page to page and at the signature line.
6. The address on the contract for the university should be the address and telephone number of the originating department.
7. Every change, insertion, and deletion to the contract and all copies must be initialed by the person responsible for signing the contract. A short horizontal line should be drawn in the margin beside each change, insertion and deletion and initialed by the signer.
8. The generating department is responsible for maintaining a signed original contract for all contracts not going through Procurement or the Information Technology Acquisitions departments as the university's record of the agreement. The signed contracts must be retained for a period of six years after the end of the contract period.

## **4. Definitions**

**Contract:** Any document that establishes an agreement between two parties. For example, contracts include memoranda of understanding, memoranda of agreement, licenses, and collaboration agreements.

**Rider:** A contract rider is a fully binding legal document that may be attached to a contract. Riders arise from the vendor, or the university may use a standard rider. Departments may work with Legal Counsel in developing a rider. All riders should be attached and in appropriate form at the time the contract is submitted to Legal Counsel for review.

**Standard Contract:** A standard contract is a simple, routine contract generated by a department of the university for regular and routine use. A draft standard contract must be submitted to Legal Counsel for review and approval for legal sufficiency and content before it is recognized as a valid instrument. Once a standard contract is established, it is not necessary for Legal Counsel to review each individual contract, regardless of amount. Examples of a standard contract include: Virginia Tech Union rider, Procurement Department, and construction contracts.

## **5. References**

## **6. Approval and Revisions**

- Revision 19  
Section 3.1, #5 – titles updated.
- Revision 20

Section 3.1, #10 – addition of Associate Director of Athletics for Financial Affairs authority to sign scheduling and lodging contracts pertaining to sports events with colleges and universities.  
Approved February 23, 2006 by Executive Vice President and Chief Operating Officer, James A. Hyatt.

- Revision 21  
Section 3.1, #1 – change title from “Vice President for Business Affairs” to “Vice President for Administrative Services”

Section 3.1, #2 – change clarification of policy from “The University Treasurer may sign all contract pertaining to the issuance of debt and investments” to “The University Treasurer may sign all contract pertaining to investments and the issuance of debt”

Section 3.1, #4 – change title from “Assistant Vice President for Facilities” to “Associate Vice President for Facilities”

Section 3.1, #5 – change title from “Director of Sponsored Programs” to “Assistant Vice President for Sponsored Programs Administration”

Section 3.1, #15 – change title from “Director of Purchasing” to “Director of Materials Management”

Section 3.1, #18 – addition of departmental authorization for unlimited orders executed in the HokieMart against university contracts

Section 3.3 – addition of reference to the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and Their Vendors.

Section 3.4 – change title from “Director of Purchasing” to “Director of Materials Management”

Section 3.4 – update of department name from “Administrative Information Systems Information Technology Acquisitions office” to the “Information Technology Acquisitions Department.”

Section 3.6, #8 – update responsibility from “Computing Center” to “Information Technology Acquisitions department” for maintaining original contracts.

Approved September 3, 2007 by Executive Vice President and Chief Operating Officer, James A. Hyatt.

- Revision 22  
Updated to position titles and/or responsibilities due to university reorganization.

Identified back-up signatories for delegated authorities.

Section 3.1, #10 – provided authority to Assistant Vice President for Administration to sign all VTIP agreements.

Section 3.1, #16 – provided authority to Hotel Controller, Inn at Virginia Tech, to sign Group Sales contracts for meeting space, lodging and catering services related to scheduling events at the Inn at Virginia Tech

Approved June 17, 2008 by University President, Charles W. Steger

- Revision 23

Section 3.1, #4 – provided authority to Vice President for Administrative Services to sign leases, service and/or operating agreements with private entities.

Approved November 16, 2008 by University President, Charles W. Steger

- Revision 24  
Section 3.1, #30 and #31 added to clarify authority to administer university retirement programs.  
Approved April 10, 2009 by University President, Charles W. Steger
- Revision 25  
Added section 3.6 related to the role of the university’s contract review officer; clarified role of vice president for research in signing sponsored research contracts.  
Approved June 2, 2009 by University President, Charles W. Steger
- Revision 26  
Section 3.1, #9 revised to clarify signature authority refers to Unclassified research contracts.  
  
New Section 3.1, #10 added to establish signature authority for Classified research contracts.  
  
Section 3.1, #29 and #30 revised to add signature authority for those granted Approver authority in the HokieMart.  
  
Approved January 15, 2010 by University President, Charles W. Steger
- Revision 27  
Section 3.1, #10 revised to add primary signature authority for Assistant Vice President for Research and establish first back-up signature authority for Assistant Vice President for Finance and Controls (OSP).  
Approved January 28, 2011 by University President, Charles W. Steger.
- Revision 28  
Section 3.1, #32 revised back-up signature authority from “Associate Director of Benefits” to “Executive Director of Total Compensation.”  
Approved March 1, 2011 by University President, Charles W. Steger.
- Revision 29  
Section 3.1, #4 and #6: Titles and administrative changes due to reorganization in Real Estate Management.  
Updated June 6, 2011.
- Revision 30  
Section 3.1 revised to establish signature authority for all licensing and trademark agreements.  
Approved September 23, 2011 by University President, Charles W. Steger.
- Revision 31  
Substantive changes made are intended to improve understanding of the policy and thereby encourage compliance.
  - Changed university’s Contract Review Officer to President’s Chief of Staff as final stage of transition from the elimination of the Executive Vice President and Chief Operating Officer position
  - Separated sections of policy outlining signature authority for unclassified and classified agreements
  - Clarified contract signature authority for those at the level of Department Head and above
  - Removed chart reiterating levels of signature authority



Approved September 6, 2013 by University President, Charles W. Steger.

- Revision 32

Changes made to comply with Board of Visitors resolution passed September 9, 2013:

- Designated M. Dwight Shelton for as long as he occupies the position of Vice President for Finance and Chief Financial Officer, as the university's Chief Contracting Officer with authority to sign all contracts and to delegate contract signature authority.
- The President retains signature authority for all contracts.
- The Senior Vice President and Provost is authorized to sign all contracts in the absence of the President and Chief Contracting Officer.
- The President's Chief of Staff shall serve as the university's Contract Review Officer and shall have authority to sign all contracts up to \$1,000,000.

Approved September 9, 2013 by University President, Charles W. Steger.

- Revision 33

Section 3.3, #1 revised to include signature authority for those matters solely under the purview of the Buildings and Grounds Committee of the Board of Visitors.

Approved May 12, 2014 by University President, Charles W. Steger.