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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 the President as the university's Chief Contracting Officer. As such, the individual in this position is authorized by the Board of Visitors to sign contracts and agreements on behalf of Virginia Tech. The President, as the university's Chief Contracting Officer, is the individual authorized by the Board of Visitors to delegate signature authority. Any requests for consideration of further delegation of contract signature authority should be submitted directly to the Office of the President. All contracts, including memorandums of understanding/agreement, collaboration agreements, and affiliation agreements, must be reviewed by Legal Counsel before they are signed. As contracts may originate from a vendor or from a department within the university, this policy establishes the guidelines for establishing a contract on behalf of the university.

## **3. Procedures**

### **3.1 Contract Signature**

Contract signature authority and backup signature authority have been granted to the following positions by the President for all contracts identified, regardless of dollar amount, except where specifically stated that a maximum dollar limit exists.

1. The President retains signature authority for all contracts. The Vice President for Finance and Chief Financial Officer may sign in the absence of the President. 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.
2. The President retains signature authority for all university-level collaboration agreements. The Vice President for Finance and Chief Financial Officer may sign in the absence of the President. 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.
3. The President retains signature authority for all university Memoranda of Understanding (MOUs). The Vice President for Finance and Chief Financial Officer may sign in absence of the President. 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.
4. The Vice President for Administrative Services may sign leases, service and/or operating agreements with government entities, capital outlay contracts, and deeds and real estate easements as authorized by the Board of

- Visitors. The Vice President for Finance and Chief Financial Officer may sign in the absence of the Vice President for Administrative Services.
5. The University Treasurer may sign all contracts pertaining to investments and the issuance of debt. The Vice President for Finance and Chief Financial Officer serves in the absence of the University Treasurer.
  6. The Director of Real Estate Management may sign university real estate lease agreements. The Vice President for Administrative Services may sign in the absence of the Director of Real Estate Management.
  7. The Associate Vice President for Facilities may sign agreements related to construction and renovation projects, other than capital outlay and procurement activities. The Vice President for Administrative Services may sign in the absence of the Associate Vice President for Facilities.
  8. The Vice President for Research may sign new disclosure agreements and material transfer agreements. The Associate Vice President for Research may sign in the absence of the Vice President for Research.
  9. 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).
  10. The Assistant Vice President for Administration may sign all Virginia Tech Intellectual Property (VTIP) agreements.
  11. 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.
  12. 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.
  13. The Vice President for Outreach and International Affairs may sign all outreach contracts and agreements.
  14. The Director of Outreach Program Development may sign sponsor outreach contracts (not involving cost sharing) up to \$150,000. The Vice President for Outreach and International Affairs may sign in the absence of the Director of Outreach Program Development.
  15. The Director of Continuing and Professional Education may sign continuing education contracts up to \$100,000.
  16. 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.
  17. The Director of Intercollegiate Athletics may sign scheduling and lodging contracts pertaining to sports events with colleges and universities. The Senior Associate Athletic Director/Senior Woman Administrator may also sign.
  18. The Director of Financial Aid may sign Commonwealth of Virginia Work-Study Program Employer Agreements. The Vice President and Dean for Undergraduate Education may sign in the absence of the Director of Financial Aid.
  19. The University Bursar may sign contracts related to the payment of tuition and fees. The University Controller may sign in the absence of the University Bursar.
  20. The Vice President and Dean for Undergraduate Education may sign special arrangement contracts related to in-state tuition. The Vice President for Finance and Chief Financial Officer may sign in the absence of the Vice President and Dean for Undergraduate Education.
  21. The University Bursar may sign Bankruptcy agreements and lost check (stop-payment) agreements. The University Controller may sign in the absence of the University Bursar.

22. The Director of Materials Management has the authority to sign contracts up to \$1,000,000, resulting from a competitive solicitation or sole source procurement process where goods and/or services are obtained in accordance with the Virginia Public Procurement Act.
23. The Director of Materials Management has the authority to sign all university purchase orders, and the authority to delegate signatory authority for university purchase orders.
24. The Director of Materials Management has the authority to sign contract addendums for contracts that:
  - a. do not affect the monetary value of the contract, or
  - b. are addendums that are less than \$1,000,000
25. The Associate Director(s) of Purchasing may be further delegated the authority to sign purchasing contracts in amounts up to \$250,000 as determined by the Director of Materials Management.
26. 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.
27. The Assistant Vice President for Administration may sign all university contracts up to \$2,000,000 (\$2 million).
28. Vice Presidents, Deans, Directors and Department Heads are delegated the authority to sign contracts that do not go through the Purchasing Department and are not specifically designated above. The department head has the responsibility to ensure that Legal Counsel reviews each of these types of contracts before it is signed. The Commonwealth of Virginia Sales and Use Tax Exemption Form, Taxation Form ST-12, may also be signed at the department level. The specific contracts or orders that may be signed at the department level are:
  - a. Items purchased under the university Direct Payment Procedures per Policy 3320.
  - b. Goods and/or services valued up to \$2,000 that are not placed against university contracts.
29. Vice Presidents, Deans, Directors and Department Heads are delegated the authority to sign 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.

Only those positions outlined in this policy are authorized to sign university contracts. No other employees are authorized to commit the university.

	<b>Contract Type</b>	<b>Delegation of Contract Signature Authority</b>			<b>Contract Value</b>
		<b>Primary</b>	<b>1<sup>st</sup> Back-up</b>	<b>2<sup>nd</sup> Back-up</b>	
1.	All contracts	President	Vice President for Finance and Chief Financial Officer	Senior Vice President and Provost	Unlimited
2.	University-level collaboration agreements	President	Vice President for Finance and Chief Financial Officer	Senior Vice President and Provost	Unlimited
3.	Memoranda of Understanding (MOUs)	President	Vice President for Finance and Chief Financial Officer	Senior Vice President and Provost	Unlimited
4.	Leases, service and/or operating agreements with government entities, capital outlay contracts, and deeds and real estate easements	Vice President for Administrative Services	Vice President for Finance and Chief Financial Officer		Unlimited
5.	Debt issuance and investments	University Treasurer	Vice President for Finance and Chief Financial Officer		Unlimited
6.	Real estate lease agreements	Director of Real Estate Management	Vice President for Administrative Services		Unlimited

	Contract Type	Delegation of Contract Signature Authority			Contract Value
		Primary	1 <sup>st</sup> Back-up	2 <sup>nd</sup> Back-up	
7.	Agreements related to construction and renovation projects, other than capital outlay and procurement activities	Associate Vice President for Facilities	Vice President for Administrative Services		Unlimited
8.	New disclosure agreements and material transfer agreements	Vice President for Research	Associate Vice President for Research		Unlimited
9.	Confidentiality agreements, non-disclosure agreements, material transfer agreements, and 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	Assistant Vice President for Sponsored Programs	Director of Pre-Award (OSP)	Director of Post-Award (OSP)	Unlimited
10.	Virginia Tech Intellectual Property (VTIP) agreements	Assistant Vice President for Administration			
11.	Cooperative agreements for extension services	Director of Cooperative Extension	Director of Operations, College of Agriculture and Life Sciences	Director of Agricultural Experiment Station	Unlimited
12.	Contract and grant documents for projects of the Agricultural Experiment Station	Director of Agricultural Experiment Station	Director of Operations, College of Agriculture and Life Sciences	Director of Cooperative Extension	Unlimited
13.	Outreach contracts and agreements	Vice President for Outreach and International Affairs			Unlimited
14.	Sponsor outreach contracts (not involving cost sharing)	Director of Outreach Program Development	Vice President for Outreach and International Affairs		Up to \$150,000
15.	Continuing Education contracts	Director of Continuing and Professional Education			Up to \$100,000
16.	Group Sales contracts for meeting space, lodging and catering services related to scheduling events at the Inn at Virginia Tech	Hotel Controller			Up to \$75,000
17.	Scheduling and lodging contracts pertaining to sports events with colleges and universities	Director of Intercollegiate Athletics	Senior Associate Athletic Director/ Senior Woman Administrator		Unlimited
18.	Commonwealth of Virginia Work-Study Program Employer Agreements	Director of Financial Aid	Vice President and Dean for Undergraduate Education		Unlimited
19.	Contracts related to the payment of tuition and fees	University Bursar	University Controller		Unlimited

	Contract Type	Delegation of Contract Signature Authority			Contract Value
		Primary	1 <sup>st</sup> Back-up	2 <sup>nd</sup> Back-up	
20.	Special arrangement contracts related to in-state tuition	Vice President and Dean for Undergraduate Education	Vice President for Finance and Chief Financial Officer		Unlimited
21.	Bankruptcy agreements and lost check (stop-payment) agreements	University Bursar	University Controller		Unlimited
22.	Contracts resulting from competitive solicitation or sole source procurement process where goods and/or services are obtained in accordance with the Virginia Public Procurement Act	Director of Materials Management			Up to \$1,000,000
23.	University purchase orders, and authority to delegate signatory authority for university purchase orders	Director of Materials Management			Unlimited
24.	Contract addendums for contracts signed by the President, Vice President for Finance, or Senior Vice President and University Provost and not affecting monetary value of contract or valued less than \$1,000,000	Director of Materials Management			Less than \$1,000,000
25.	Purchasing contracts as delegated by the Director of Materials Management	Associate Director(s) of Purchasing			Up to \$250,000
26.	Vendor credit applications and agreements	University Controller	Members of the Controller's staff as designated by the Controller		Unlimited
27.	Direct payment purchases that may require contract	Vice Presidents, Deans, Directors and Department Heads			Per university Policy 3320
28.	Goods and services up to \$2,000 that are not placed against university contracts	Vice Presidents, Deans, Directors and Department Heads			Up to \$2,000
29.	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	Vice Presidents, Deans, Directors and Department Heads			Unlimited
30.	All university contracts	Assistant Vice President for Administration			Up to \$2,000,000 (\$2 million)

### 3.2 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 each and every contract to Legal Counsel for review of legal sufficiency before it may be signed. All software license agreements must be sent to the Computing Center along with a copy of the corresponding purchase order. The generating department maintains the signed original university document record of all contracts that are not processed through Purchasing or the Computing Center.

Each department that signs contract agreements should maintain a log documenting vendor, type of contract, period of contract, amount, signatory, and date signed.

### 3.3 Purchasing Department Responsibilities

The Purchasing 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 the office of Legal Counsel for review. Purchasing maintains the signed original university document of record of all contracts that are processed through the Purchasing Department.

### 3.4 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 Purchasing Department policies and procedures and the *Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and Their Vendors*. Contract signature authority is delegated by the Director of Materials Management to the Director of ITA. The ITA Department reviews, obtains legal counsel's review, and signs all contracts for computer hardware, software, including those contracts involving money, not for money, for testing, and maintenance agreements. The ITA Department maintains the signed original university document of record for all contracts that are processed through their office.

### 3.5 University Legal Counsel Responsibilities

Departments must send all university contracts, MOUs/MOAs to University Legal Counsel for review before obtaining signatures for any party 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 department if there are questions about the contract or if the contract is incomplete. All necessary deletions, insertions, or changes to the contractual terms and conditions in compliance with Virginia law will be noted by University Legal Counsel in a memorandum and returned to the department. It is the department's responsibility to make the changes to the contract in accordance with University Legal Counsel's instructions.

### 3.6 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 as equally 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 Purchasing 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 states an agreement between two parties. A memorandum of understanding is a contract. A memorandum of agreement is a contract.

**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, Purchasing Department, and construction contracts.

## 5. Approval and Revisions

- Revision 18

Section 3.1, #16 – addition of Controller’s Office authority for signing vendor credit applications and agreements.

Section 3.1: Deleted reference to “Director of Business Management and Analysis.” Position no longer exists.

Section 3.1, #16-19 renumbered to #17-20.

Approved April 16, 2004 by Executive Vice President and Chief Operating Officer, Minnis E. Ridenour.

- 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