

Howard University Policy Letterhead

Policy Number: 400-002

Policy Title: CONTRACTING AUTHORITY LEVELS AND ADMINISTRATIVE REQUIREMENTS

Responsible Officer: PRESIDENT

Responsible Office: OFFICE OF THE PRESIDENT

Effective Date: July 15, 2009

I. POLICY STATEMENT

The attached matrix presents the University's and University Hospital's contracting authority and the administrative requirements which must be adhered to before entering into endowed gift agreements, matching gift agreements, private support grants, purchase orders, purchase order amendments, contracts, contract amendments, and sponsored program agreements (e.g., research grants).

The intent of this policy and procedure is to clearly assign contracting authority to University and Hospital officials and to provide the administrative requirements that provide and promote adequate internal controls over the contractual binding of the University and the University Hospital to external entities.

II. RATIONALE

Not having a promulgated contracting authority document has resulted in internal and external audit findings and recommendations and internal non-compliant actions which resulted in unneeded personnel and legal actions. This policy and procedure should mitigate a recurrence of contract signing issues by placing in one location the authority levels, the position titles of official(s) who have the authority to bind the University and the University Hospital, and the administrative requirements that must be met before documents are finalized.

III. ENTITIES AFFECTED BY THIS POLICY

This policy applies to all University and Hospital employees, contractors, grantees, and entities that use or receive University or Hospital resources.

IV. DEFINITIONS

Terms used in this procedure are considered to be clear and adequately defined. Where clarifications are required, contact the Office of the General Counsel.

V. POLICY PROCEDURES

See the attached *Contracting Authority Levels and Administrative Requirements* matrix.

VII. SANCTIONS

Failure to follow this policy or any other approved University policy shall result in disciplinary action, including termination of employment.

VII. WEBSITE ADDRESS

<http://www.howard.edu/policy/>

Contracting Authority Levels and Administrative Requirements Matrix

Type of Contracting Instrument	Range (Estimated or Actual Value of Transaction)	Signature Requirement (Contract signatory authority may be further delegated, after obtaining the approval of the President or his/her designee.)	Administrative Requirements (The acquisition of any information technology, i.e., hardware, software, databases, networks or services, must have the prior approval of the University or Hospital officer assigned responsibility for information systems.)
UNIVERSITY			
Endowed gift agreements, Matching gift agreements or private support grants (excluding research grants)	Up to \$20,000	Vice President for University Advancement or the Associate Vice President for University Advancement	See Administrative Requirements for Contracts
Endowed gift agreements, Matching gift agreements or private support grants (excluding research grants)	\$20,000 and above	Vice President for University Advancement or the President	See Administrative Requirements for Contracts
Purchase Orders and Purchase Order Amendments	Up to \$500,000	Associate Vice President for Materials Management, or Chief Financial Officer, or the President	
Purchase Orders and Purchase Order Amendments	\$500,001 and above	Associate Vice President for Materials Management, or Chief Financial Officer, or the President	If an amendment or group of amendments pushes the original purchase order value above \$500,000, then the Associate Vice President for Materials Management must inform, in writing, the Chief Financial Officer that the value of the purchase order exceeds \$500,000. A copy of the notification should be placed into the purchase order's file.
Contracts and Contract Amendments	Up to \$499,999	Associate Vice President for Materials Management, or Chief Financial Officer, or the President (For Sponsored Programs: Vice President for Research and Compliance or the Chief Financial Officer, or the President)	All contracts and contract amendments (including documents that legally bind the University but do not explicitly purport to be contracts), regardless of dollar amount, must be presented for review by the Office of the General Counsel. The Office of the General Counsel reserves the option to waive review of any contract. The Office of the General Counsel also utilizes pre-approved templates which may be used to provide for an expedited review, or to waive review, at the discretion of Office of the General Counsel. Review or waiver action must be documented and placed into the contract's file. Contracts and contract amendments in the health sciences must also

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			have the documented approval of the Senior Vice President for Health Sciences (such documentation to be kept in the official contract file) before they are signed as contractually binding agreements.
Contracts and Contract Amendments	\$500,000 to \$999,999	Chief Financial Officer or the President (For Sponsored Programs: Vice President for Research and Compliance or the Chief Financial Officer)	All contracts and contract amendments (including documents that legally bind the University but do not explicitly purport to be contracts), regardless of dollar amount, must be presented for review by the Office of the General Counsel. The Office of the General Counsel reserves the option to waive review of any contract. The Office of the General Counsel also utilizes pre-approved templates which may be used to provide for an expedited review, or to waive review, at the discretion of Office of the General Counsel. Review or waiver action must be documented and placed into the contract's file. Contracts and contract amendments in the health sciences must also have the documented approval of the Senior Vice President for Health Sciences (such documentation to be kept in the official contract file) before they are signed as contractually binding agreements.
Contracts and Contract Amendments	\$1,000,000 and above	Chief Financial Officer and the President (For Sponsored Programs: Vice President for Research and Compliance and the Chief Financial Officer)	If a contract exceeds \$1 million or a contract amendment causes the original contract's value to exceed \$1 million, then the Chief Financial Officer should inform, in writing, the University President who will execute the notification and approval requirements of the University's By-laws. Documentation of these notifications should be placed into the contract's file. All contracts and contract amendments (including documents that legally bind the University but do not explicitly purport to be contracts), regardless of dollar amount, must be presented for review by the Office of the General Counsel. The Office of the General Counsel reserves the option to waive review of any contract. The

Contracting Authority Levels and Administrative Requirements Matrix

			<p>purposes, <u>provided that</u>, such prior approval shall not be required for the lease of real property if such property was acquired for commercial purposes and such lease is for a term of not greater than 15 years.</p>
HOSPITAL			
Purchase Orders and Purchase Order Amendments	Up to \$500,000	Director of Materiel Management, or the Chief Operating Officer, or the Chief Executive Officer or the Senior Vice President for Health Sciences	
Purchase Orders and Purchase Order Amendments	\$500,001 and above	Chief Operating Officer or the Chief Executive Officer or the Senior Vice President for Health Sciences	<p>If an amendment or group of amendments pushes the original purchase order value above \$500,000, then the Chief Executive Officer must inform, in writing, the University's Chief Financial Officer that the value of the purchase order exceeds \$500,000. A copy of the notification should be placed into the purchase order's file.</p>
Contracts and Contract Amendments	Up to \$2,000,000	Chief Executive Officer or the Senior Vice President for Health Sciences	<p>Because these authorities were reserved by the Board of Trustees, the Chief Executive Officer may not authorize:</p> <ul style="list-style-type: none"> • Leases or licenses of the main operating assets of the Hospital; and • contracts that provide for the management of the Hospital or the performance of executive functions or the Hospital. <p>All contracts and contract amendments (including documents that legally bind the University but do not explicitly purport to be contracts), regardless of dollar amount, must be presented for review by the Office of the General Counsel. The Office of the General Counsel reserves the option to waive review of any contract. The Office of the General Counsel also utilizes pre-approved templates which may be used to provide for an expedited review, or to waive review, at the discretion of Office of the General Counsel. Review or waiver action must be documented and placed into the contract's file.</p> <p><u>Note: Contracts in excess of \$1million are additionally subject to the notification and/or approval requirements set forth below.</u></p>

