



## 7.1.010

# Contract Review and Signatory Authority Policy

Date of last board of trustees review: November 10, 2021

The originator of this policy is the President's Office. Questions regarding this policy may be directed to the originator by calling 801-957-4227.

### 1. Policy

State law provides the trustees and the college president authority to enter contracts. This policy establishes contract review procedures and signature authority to minimize the college's financial, legal, operational, and compliance risks.

### 2. References

- A. Attribution and Effect of Electronic Records, and Electronic Signatures, and Electronic Contracts, Utah Code Ann. § 46-4-203.
- B. Duties & Responsibilities of the President of Each Institution-Approval by Board of Trustees-Applicable to a Technical College President, Utah Code Ann. § 53B-2-106.
- C. Utah Procurement Code, Utah Code Ann. §§ 63G-6a-101-2407.



## 7.1.010

# Contract Review and Signatory Authority Procedure

Date of last executive cabinet review: October 5, 2021

The originator of this procedure is the President's Office. Questions regarding this procedure may be directed to the originator by calling 801-957-4227.

### 3. Definitions

- A. **Contract:** A written agreement between two or more parties which is intended to create an obligation, right, or liability on behalf of the college. These agreements may be classified as procurement or non-procurement. Such classification determines the rules that govern the review and signatory processes.
- B. **Authorized Signer:** Employee authorized by the college president and authorized to sign contracts.
- C. **Electronic Signature:** An electronically generated signature made by an authorized signatory with the intent to sign the contract or document.

### 4. Procedures

- A. **Contract Administration**
  - 1. Departments must submit all contracts through the contract review process outlined in the [Contract Review and Signature Authority Rules](#). Departments must obtain necessary approvals and signatures through this process.
  - 2. The department seeking contract approval must:
    - a. obtain the cooperation and approval of department(s) which may be directly or indirectly affected by the contract, including but not limited to:
      - (1) Information Technology (IT) for software, hardware, and network considerations including equipment
      - (2) Facilities for space or other facilities considerations
      - (3) Controller's Office for financial and tax considerations
    - b. obtain the cooperation and approval of the Office of sponsored projects when

the contract is related to a sponsored project;

- c. if applicable, ensure sufficient budgeted funds are available to comply with the financial terms of the contract;
- d. if applicable, coordinate with Purchasing and Accounts Payable to ensure the appropriate procurement process is completed (e.g. bid or sole source process);
- e. understand and approve the terms and conditions and the ability to meet the obligations outlined in the contract;
- f. ensure that all other applicable college policies and procedures are followed.

#### **B. Contract Signature Authority**

1. Written contracts must be signed by an authorized signer whenever an agreement obligates the college to take specific actions(s). Oral agreements are not permitted. A master list of all authorized signers are set forth in the Contract Review and Signature Authority Rules.
2. College signatory authority may be delegated to employees in acting positions with advance written authorization. Individuals placed in interim roles automatically assume the signature authority of that position.
3. An employee who signs a contract without authorization may be required to reimburse the college for any resulting liability and may be subject to corrective action, including termination of employment.

#### **C. Contract Legal Review Process**

1. The college legal department must review all contracts, except as noted below, for form, legal sufficiency, and risk assessment prior to signature.
2. Exceptions to the Legal review process are:
  - a. contracts where both parties agree to and use an appropriate unaltered standard college contract template and comply with the insurance requirements.
  - b. previously reviewed contracts that are being renewed without material changes to the contract.
  - c. sponsored project agreements as determined by the Vice President for Government and Community Relations.

#### **D. College Legal and Risk Management Responsibilities**

1. General Counsel, Risk Management and Purchasing shall make available necessary materials and training to ensure college employees involved in the contracting

process understand the scope and limits of their contracting authority.

2. The college legal office and Risk Management must review and make necessary revisions to contract templates every three years.
3. The contract management system managed by Risk Management, shall be a central repository for all contracts except for sponsored projects contracts which will be retained by the Office of Sponsored Projects.
4. Risk Management and the college legal office advise departments on department forms. Forms used by SLCC departments and signed by external parties must be approved by Legal by coordinating with Risk Management prior to being used. Departments are responsible for administering and maintaining the signed forms (e.g., contract templates and release of liability forms).

**E. Electronic Signature Acceptance Process**

1. The college utilizes e-signature software to sign contracts. This software must be used unless Risk Management determines e-signature is not available or appropriate.
2. When Risk Management determines the authorized e-signature solution is not available or appropriate, the following electronic methods are acceptable:
  - a. logging into a password protected system and taking an affirmative action to indicate the document is being signed including checking a box or typing the person's name in the document;
  - b. physically signing and scanning the document;
  - c. typing '/s/ [insert name]' in the signature line of an electronic document and returning the document via a system that assures the document was signed by the named person (e.g. through a password protected system);
  - d. sending and receiving electronic signatures internally from an SLCC email product, such as Outlook or Bruinmail, sent to another internal SLCC email product recipient.
3. Misuse of electronic signature as defined by this policy, Utah state law, and/or federal regulation, is subject to sanctions up to and including suspension, termination, and/or criminal prosecution.

**F. Contracts Excluded from this policy.**

1. Employment agreements for college employees are excluded from this policy and undergo a separate review process.