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|  <b>UNIVERSITY OF<br/>DENVER</b>  | <b>UNIVERSITY OF DENVER<br/>POLICY MANUAL<br/>LIMITS OF AUTHORITY</b> |   |
| <b><u>Responsible Department:</u></b> Business and Financial Affairs<br><b><u>Recommended By:</u></b> Executive Vice Chancellor and Provost, SVC Business and Financial Affairs, and Associate Vice Chancellor of Finance/Controller<br><b><u>Approved By:</u></b> Board of Trustees | <b><u>Policy Number</u></b><br>FINA 2.10.030                          | <b><u>Effective Date</u></b><br>9/30/2022 |

## I. INTRODUCTION

This Policy authorizes specific officers and employees to enter into contractual and other obligations on behalf of the University of Denver. Consistent with the objectives of University Policy FINA 2.10.090 – *Internal Controls*, the following designations of authority recognize the scope of responsibility of University employees, separation of duties, control the creation of unauthorized or unintended liabilities, and effectuate the effective and orderly conduct of the University's business affairs.

## II. POLICY OVERVIEW

- A. All contractual commitments of the University must be authorized at an appropriate level within the University and in accordance with applicable University policies.
- B. The Board of Trustees hereby delegates authority for contract approval and signature in accordance with the provisions of this Policy.

### 1. Delegations of General Authority

Except for contracts that require the approval of the Board of Trustees (See Paragraph II.C below), the Chancellor, Senior Vice Chancellor for Business and Financial Affairs, and the Executive Vice Chancellor and Provost ("Provost"), or any of them, are authorized to sign any and all contracts, without regard to the duration, according to the limits as outlined in **Appendix 1** attached hereto. The Senior Vice Chancellor for Business and Financial Affairs has authority to revise **Appendix 1** to reflect changes in position titles.

## 2. Contract Matrix

As defined in Section III, *infra*, the Board of Trustees delegates to the Senior Vice Chancellor for Business and Financial Affairs the authority to develop, implement, and maintain a detailed Contract Approval and Signature Matrix (the “Contract Matrix”), as needed, consistent with this Policy.

## 3. Other Designations

In addition to the designations listed in this Policy, the Board of Trustees may designate, by resolution duly adopted from time to time, other officers and employees with general or limited authority to enter into contracts on behalf of the University.

### C. Board Approval Required

The Contracts listed below must be approved by the Board of Trustees, or an authorized committee of the Board of Trustees. Any resolution approving such Contracts shall specifically designate one or more officers or employees of the University to execute the proposed contracts and all related instruments.

1. **Corporate Transactions.** Any Contract that changes or materially affects the corporate structure of the University.
2. **Appointment of Independent Auditors.** Any Contract for the engagement of Independent Auditors by the University.
3. **Construction.** Any Contract for: (a) the design or construction of new buildings on the University’s campus; (b) the renovation of University-owned buildings, the total cost of which exceeds \$1,000,000.
4. **Acquisition or Lease of Capital Equipment.** Any Contract for the purchase or lease of capital equipment when: (a) the total cost, over the entire lease term exceeds \$1,000,000; or (b) the term of the lease exceeds ten years.
5. **Disposition of Assets.** Any Contract that involves the disposition of University assets, other than real property, equipment, or donated property, valued at \$500,000 or more, and any Contract that involves the disposition of assets, other than real property or equipment that has been donated to the University when the value of such property is appraised at \$1,000,000 or more.

- 6. Acquisition of Real Property.** Any Contract that involves the acquisition of real property when the purchase price exceeds \$1,000,000.
- 7. Disposition of Real Property.** Any Contract that involves the sale of real property.
- 8. Lease of Real Property.** Any lease of real property, when: (a) the total lease cost, over the term of the lease, exceeds \$5,000,000; or (b) the term of the lease exceeds fifteen years.
- 9. Auxiliary Enterprise Contracts.** Any Contract with an auxiliary enterprise, when (a) the total Contract obligation over the term of the Contract exceeds \$1,000,000, or (b) the term of such auxiliary enterprise Contract exceeds five years.
- 10. Debt Instruments.** Any Contract or other instrument pursuant to which the University incurs debt or secures debt by mortgage, deed of trust, or other pledge of assets. Operating leases for capital equipment shall not be considered debt instruments.
- 11. Settlement Agreement.** Any settlement agreement involving the resolution of any actual or threatened litigation, claim, or administrative investigation the total cost of which exceeds \$500,000.
- 12. Other Contracts.** Any other Contract not specifically addressed in this Policy, for which the authority to approve and/or execute has been reserved to the Board of Trustees by the University's Bylaws or University Policies.

Notwithstanding the foregoing, in the event of an exigent circumstance that requires action before a meeting of the Board of Trustees (or the applicable authorized committee of the Board of Trustees) can reasonably be scheduled, as determined by the Chancellor, in consultation with the Chair of the Board, or in their absence, the Vice-Chair, the Chancellor shall have discretion to enter into a contract or other financial commitment to address the exigent circumstance, in an amount not to exceed \$5,000,000.

#### **D. Limited Delegation for Specific Contract Types.**

The Board of Trustees delegates Contract approval and signature authority for the Contracts listed in the table set forth on **Appendix 1** to the officers and employees of the University listed on **Appendix 1**. Regardless of the scope of an individual's designated authority, execution of certain types of transactions and agreements is reserved

for specific offices within the University, as further described in the applicable policies referenced below.

1. **Purchasing.** Contracts for goods and services arranged under the direction and control of the Assistant Vice Chancellor for University Financial Services are subject to procedures outlined in the University Procurement Policy.
2. **Bank Accounts.** Opening, maintaining and closing bank accounts is restricted to authorized bank signers of the University and in accordance with University Policy FINA 2.20.080 - *University Bank Accounts* and the University Bank Signer Corporate Resolution.
3. **Wire Transfers.** The Chancellor, Senior Vice Chancellor for Business and Financial Affairs and other designees within the Controller's Office, Provost Office, University Financial Services Office, and Business and Financial Affairs have authority to initiate wire transfers as authorized by the University's Wire Transfer Corporate Resolution.
4. **Employment:** The Provost or the Provost's designee is authorized to sign all appointment letters or employment contracts that may result in faculty employment. Decisions pertaining to tenure and promotion of faculty are governed by the University's "Policies and Procures Relating to Faculty Appointment, Promotion & Tenure." Employment contracts that apply to any other employee and that obligate the University to employ such employee for a term of one year or longer must be signed by either the Chancellor or the Senior Vice Chancellor for Business and Financial Affairs.
5. **Tax and Government-required Documents:** The Controller is authorized to sign on behalf of the University all reports, forms, notices or other documents that are required by applicable law to be filed with any governmental authority (e.g., tax filings) so long as such documents are signed by them in the normal conduct of their duties and so long as there is no payment required by any filing that exceeds the amount recorded in the University's general ledger for liabilities incurred in the normal course of activity (e.g., payroll withholdings, sales tax deposits, etc.).
6. **Authority to Accept Legal Notices:** The Senior Vice Chancellor for Business and Financial Affairs of the University is designated as the registered agent of the University as is authorized to accept subpoenas, service of process, and other legal papers. In certain circumstances, authority to accept legal notices is extended to the Office of General Counsel, as provided in University Policy LEGL 1.10.050 – *Subpoenas, Service of Process, and Other Legal Papers*.

- 7. Research-Related Agreements:** The authority to sign research-related agreements for sponsored grants, contracts, awards, and sub-awards is reserved to the Office of Research and Sponsored Programs. The Chancellor, the Provost, the Senior Vice Provost for Research and Graduate Education, and the Executive Director of Research Administration each shall have full authority to execute all research and training grants, contracts or other agreements, including all documents required in connection with the initiation, operation and termination of such grants, contracts, and agreements, regardless of the dollar value of such grants, contracts, and agreements, provided that all such documents have been reviewed and approved pursuant to all applicable University research policies. Expenditures related to research grants and agreements shall be approved in accordance with the other provisions of this Policy.
- 8. Acceptance of Gifts on Behalf of the University.** The authority to accept gifts (e.g. cash, property, charitable gift trusts or other types of assets) on behalf of the University is reserved to the Chancellor, who in turn has delegated such authority to the Senior Vice Chancellor for Advancement as provided in University Policy ADV 10.10.010 – *Gift Acceptance*.
- 9. Implementation of the Integrated Facilities Plan (IFP).** The Senior Vice Chancellor for Business and Financial Affairs and the Associate Vice Chancellor for Facilities Management and Planning are authorized to execute all Contracts and approve all expenditures as required to implement the University's Integrated Facilities Plan.

The Senior Vice Chancellor for Business and Financial Affairs may delegate authority to sign the Contracts listed in this section to the Controller, on a case-by-case basis, when the Senior Vice Chancellor for Business and Financial Affairs is unavailable. Such delegation of authority shall be documented in writing. Except as specifically set forth below, the other officers and employees who are authorized to sign Contracts pursuant to this section may not further delegate to direct reports such signature authority.

### **III. PROCESS OVERVIEW**

- A.** The Senior Vice Chancellor for Business and Financial Affairs will develop, implement, and maintain a detailed Contract Matrix consistent with this Policy. With respect to Contracts not specifically addressed in **Appendix I** or Sections II. C or II. D of this Policy, the Contract Matrix

shall assign Contract approval and signature authority to specific officers and employees of the University, as determined by the Senior Vice Chancellor for Business and Financial Affairs.

- B.** The Senior Vice Chancellor for Business and Financial Affairs will provide the Contract Matrix (and any updates thereto that may be adopted from time to time) to the Assistant Vice Chancellor for University Financial Services and the Senior Vice Chancellor and General Counsel.
- C.** The Senior Vice Chancellor for Business and Financial Affairs shall provide periodic briefings to the Audit Committee of the Board of Trustees, as an informational agenda item, regarding the creation, material modification, and implementation of the Contract Matrix.
- D.** For purposes of this Policy and the signature authority assigned in the Contract Matrix, "limited authority" refers to authority that is in all instances (i) subject to applicable budget restrictions and the availability of funds, (ii) subject to compliance with general University purchasing and contracting procedures, (iii) not granted for contracts that exceed one year in duration except as otherwise stated and, (iv) subject to limits to be determined annually.
- C.** The officers and employees authorized to approve and/or sign Contracts under this Policy must execute the acknowledgement provided in **Appendix 2** and must also comply with University Policy FINA 2.10.032 - *Contract Management* and procurement policies established by University Financial Services prior to approving and/or signing a Contract.
- E.** Prior to the execution of any contract described below, the University employee responsible for such contract's subject matter will cause the contract to be reviewed by: (i) the Controller's Office or University Financial Services, (ii) Enterprise Risk Management, and (iii) Office of General Counsel.
- 1.** The review procedure applies to any contract which involves or provides for:

  - a.** University commitments in an amount aggregating \$75,000 or more;
  - b.** possible indemnification or reimbursement by the University, or the creation of a University liability (including a liability resulting from a lawsuit for damages) in an amount aggregating \$75,000 or more;
  - c.** the performance by the University of obligations over a period of one year or more;
  - d.** the transfer, processing or disclosure of personally identifiable data (PII), whether to or from the University;

- e. a foreign entity as a party or performance of work outside of the United States;
  - f. services that innately carry higher risk of injury to persons or damage to property (e.g., contracts involving services at the Kennedy Mountain Campus, contracts involving use of hazardous materials);
  - g. activities that include minors on campus; or
  - h. the transfer or licensing of University intellectual property, including copyrights, patents, trademarks, word marks, or logos.
2. A review by: (a) the Controller's Office or University Financial Services, (b) Enterprise Risk Management, and (c) the Office of General Counsel is necessary only for the first in a series of contracts so long as each subsequent contract in the series (i) is substantially similar in form to the first such contract; (ii) does not change the aggregate University commitment in any material amount; and (iii) the contractual relationship does not involve the transfer, processing or disclosure of personally identifiable data (PII), whether to or from the University.
- D.** The Controller's Office or University Financial Services will review each contract in order to confirm that funds are available for any payment obligations contemplated by the contract.
- E.** Pursuant to Policy FINA 2.10.032 - *Contract Management*, Enterprise Risk Management will review appropriate contracts to assess the potential risks presented by the contract and to confirm that insurance or similar coverage is available for insurable risks.
- F.** Pursuant to Policy FINA 2.10.032 - *Contract Management*, the Office of General Counsel or the Office of General Counsel's designee, will review appropriate contracts in order to confirm that the contract accomplishes the intended purposes and does not present any burdensome or unintended liability risks.
- G.** The Controller's Office or University Financial Services, Enterprise Risk Management, and the Office of General Counsel will endeavor to conduct their review on a timely basis. The University employee responsible for a contract's subject matter will provide, whenever possible, a reasonable period of time for such review. The Office of General Counsel may rely on faculty members or others with technical expertise when necessary. The (a) Controller's Office or University Financial Services, (b) Enterprise Risk Management, and (c) the Office of General Counsel each will signify the completion of their review by providing written or electronic approval.

#### IV. DEFINITIONS

- A. **“Auxiliary enterprise”** means an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. Examples of auxiliary enterprises are college stores, rental facilities, institutionally operated catering or vending services, and laundries.
- B. **“Contract”** is any binding commitment by or on behalf of the University, either oral or written, regardless of the title of the operative document or documents. For purposes of this policy, the term “Contract” includes, but is not limited to contracts, agreements, leases, memoranda of understanding (“MOU’s”), nondisclosure agreements, gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent. A commitment means, in addition to any financial commitment, any obligation to provide services, performance, information, or property (whether tangible or intangible). Examples of “contracts” that create a University Commitment are provided in the Definitions below, it being understood that such services will be valued by the amount of payment being paid to the University in return for such services. For example, if a contract states that the University will provide facilities in return for a \$5,000 payment, then the contract involves a \$5,000 University commitment.
- C. **“Endowment Investment Agreement”** is any agreement or instrument pursuant to which funds from the University’s endowment or operating funds invested in the endowment are invested with or redeemed from an underlying investment manager or an investment vehicle. The term “Endowment Investment Agreement” shall include, but shall not be limited to subscription agreements, investment management agreements, limited partnership agreements, agreements of purchase and sale, side letters, and such other instruments and agreements as may be incident to an investment or redemption.

#### V. RESOURCES

- A. Policy FINA 2.10.032 - *Contract Management*
- B. Policy FINA 2.10.090 – *Internal Control*
- C. Policy AUDT 3.20.060 – *Conflict of Interest*
- D. Policy OPER 9.10.011 – *Establishment and Approval of Major Capital Projects*



| <b>Revision<br/>Effective Date</b> | <b>Purpose</b>  |
|------------------------------------|---|
| <i>4/23/2021</i>                   | <i>IA finding – Policy did not align with practice</i>  |
| <i>9/30/2022</i>                   | <i>Revised to address Internal Audit findings and Board of Trustee inquiries by aligning limits with industry best practice, clarified Board vs Delegated authorities, and streamlining workflow processes.</i> |

## **Appendix 1**

| <b><u>Authority Level*</u></b>  |  |  |
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| <i>*Except for contracts that require the approval of the Board of Trustees (See Paragraph II.C of Policy FINA 2.10.030 - Limits of Authority).</i> |  |  |
| <b><u>Contract Category</u></b>   | <b><u>Contract Type</u></b>  | <b><u>Officer/Signature Authority/ Applicable Limits</u></b>   |
| University  | Any Contract*  | Chancellor<br><br>Provost and Executive Vice Chancellor<br><br>Senior Vice Chancellor for Business and Financial Affairs         |
| <b><u>\$500,000 Authority Level:</u></b>  |  |  |
| <b><u>Contract Category</u></b>   | <b><u>Contract Type</u></b>  | <b><u>Officer/Signature Authority/ Applicable Limits</u></b>   |
| University  | Any contract, including multi-year contracts not exceeding three years in duration | Controller   |
| Chancellor's Initiatives  | Any contract related to Chancellor's Office initiatives                            | Senior Vice Chancellor and Chief of Staff  |
| Research and Sponsored Programs   | Grants and contracts related to research   | Senior Vice Provost for Research and Graduation Education<br><br><u>And</u><br><br>Executive Director of Research Administration |
| Enrollment  | Contracts and agreements relating to enrollment and admissions activities          | Vice Chancellor of Enrollment Management   |
| Benefits  | Contracts related to benefit plans   | Vice Chancellor of Human Resources   |
| University Financial Services   | Any contract, including multi-year not exceeding three years in duration           | Assistant Vice Chancellor for University Financial Services  |
| Marketing and Communications  | Contracts related to media and publications  | Vice Chancellor of Marketing and Communications  |
| Information Technology  | Contracts related to technology-related activities                                 | Vice Chancellor of Information Technology and Chief Information Officer  |

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| General Counsel                          | Engagement letter(s) for legal or litigation services   | Senior Vice Chancellor for Legal Affairs and General Counsel    |
| Athletics                                | Contracts related to Athletic Participation Agreements  | Vice Chancellor of Athletics                                    |
| Advancement                              | Contracts pertaining to development and planned giving services and estate receipt/release notices and personal representative amendments; authority to sign IRS form 8283- Non-cash Charitable Contribution Form   | Senior Vice Chancellor of Advancement                           |
| Facilities Management and Planning       | Contracts pertaining to customary facilities management activities; Authority includes but is not limited to: permit applications, discharge monitoring reports (DMR) and reports and/or other submittals required by EPA, City and County of Denver and Colorado Department of Health and Environment related to the operations of the University; | Associate Vice Chancellor of Facilities Planning and Management |
| <b><u>\$250,000 Authority Level:</u></b> |   |   |
| <b><u>Contract Category</u></b>          | <b><u>Contract Type</u></b>   | <b><u>Officer/Signature Authority/ Applicable Limits</u></b>    |
| University Financial Services            | Normal University procurement contracts   | Director of Procurement and Contract Services                   |
| Facilities                               | Contracts related to customary facilities management activities   | Executive Director of Facilities Management and Planning        |
| Internationalization                     | Contracts for study abroad  | Vice Provost of Internationalization                            |

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| Conferencing and Events   | Contracts related to Conferencing and Events  | Executive Director for Conferencing and Events  |
| Newman Center for the Performing Arts   | Routine contracts related to the Newman Center for the Performing Arts  | Executive Director of the Newman Center for Performing Arts   |
| Advancement   | Gift Processing activities  | Executive Director of Gift Planning   |
| James C. Kennedy Mountain Campus<br><br>And<br><br>University Wellness and Recreation | Contracts related to James C. Kennedy Mountain Campus and overall University Wellness and Recreation programming and facilities | Associate Vice Chancellor, James C. Kennedy Mountain Campus, Wellness and Recreation  |
| <b><u>\$100,000 Authority Level:</u></b>  |   |   |
| <b><u>Contract Category</u></b>   | <b><u>Contract Type</u></b>   | <b><u>Officer/Signature Authority/ Applicable Limits</u></b>  |
| University Contracts  | Contracts for routine University activities, including capital projects   | Vice Provost of University Budget, Planning, & Administration and Procurement contract administrators   |
| <b><u>\$75,000 Authority Level:</u></b>   |   |   |
| <b><u>Contract Category</u></b>   | <b><u>Contract Type</u></b>   | <b><u>Officer/Signature Authority/ Applicable Limits</u></b>  |
| Departmental Contracts  | Department contracts  | Deans, Vice Chancellors, the budget officer for the Department, and up to one other departmental designee (the departmental designee must be approved by the Senior Vice Chancellor for Business and Financial Affairs before executing any contract) |

## **Appendix 2**

### **Acknowledgement of Responsibilities as Signatory**

I acknowledge that by virtue of my position at the University of Denver, and consistent with University Policy FINA 2.10.030 – *Limits of Authority*, I have been delegated limited signature authority to execute certain contracts on behalf of the University.

I further acknowledge that:

- I am prohibited from executing contracts that exceed my signature authority, including by executing contracts that require Board approval that has not been obtained, or by executing contracts of a type reserved for another specific office within the University.
- Before signing any contract, I am responsible for reviewing and understanding the terms of the contract. I am further responsible for ensuring that the contract complies with applicable law and University policy.
- My signature authority is in all instances (i) subject to applicable budget restrictions and the availability of funds, (ii) subject to compliance with general University purchasing and contracting procedures, (iii) not granted for contracts that exceed one year in duration except as otherwise stated and, (iv) subject to limits to be determined annually.
- Before executing a contract, I may be required to secure review of the contract by offices including (i) the Controller's Office or University Financial Services, (ii) Enterprise Risk Management, and (iii) Office of General Counsel. I have reviewed and understand the factors that require such review.
- My signature authority must always be exercised consistent with all applicable University policies. Specifically, but without limiting the applicability of other any policies, I have read and agree to comply with the requirements of FINA 2.10.032 - *Contract Management*; University Policy AUDT 3.20.060 – *Conflict of Interest*; and University Policy FINA 2.10.030 – *Limits of Authority*.

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Signature

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Date

Name:

Title: