

University of Maine System
ADMINISTRATIVE PRACTICE LETTER

Section IV-C
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Effective 8/6/2010

SUBJECT: SIGNATURE AUTHORITY

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I. General

The Board of Trustees has the authority to grant signature authority and has assigned such authority under Board of Trustees Policy 207 to the Treasurer of the University of Maine System. The Board has further authorized the Treasurer to grant to designated officers and employees of the University of Maine System certain signature authority within such specific limits and upon such terms and conditions as deemed appropriate by the Treasurer. All such grants of authorities shall be approved in advance by the Treasurer and shall be kept current and on file in the Treasurer's Office. The Treasurer is further authorized to revoke and modify any authority so granted. Documents exceeding the authorized amounts will be forwarded to the Treasurer for review and approval.

The purpose of this APL is to ensure that delegated signature authority is (1) adequate to provide for a smooth running operation, (2) sufficiently documented in accordance with policy, and (3) within the scope of the laws of the State of Maine and policies of the Board of Trustees.

This APL does not address all the documents employees may sign in the course of conducting University business (e.g., purchase requisitions, personnel actions, honoraria) as these have their own campus based signature approval procedures. Rather, this APL addresses the authority to make major commitments of the University of Maine System via signature and the appropriate delegation of that authority. Delegation of signature authority pertains only to the University at which the individual is employed. Where dollar amounts are specified, multiple documents may not be processed for the same transaction in order to avoid such limits.

II. University Counsel Approval

Universities must seek the approval of University Counsel for certain contracts or agreements so that legal risks may be effectively addressed. If a contract or agreement is non-routine in nature, or could have major financial or other implications, University Counsel must review the document. Individuals shall sign these contracts or agreements only after receiving approval by University Counsel.

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Contracts or agreements not requiring approval of University Counsel include:

- Grant documents;
- Those that are routine and low risk. These documents, however, require the signature of individuals at the vice president level or higher as delegated by the respective university president;
- Capital project documents where the university uses the standard forms of the SWS Office of Facilities. Documents that vary from those standard forms shall be approved by University Counsel before they are signed.
- Professional services or procurement contracts following the requirements of APL section VII-A.2.
- Real estate leases using the standard language of the SWS Office of Facilities.

University Counsel must also authorize the engagement of any outside counsel regarding issues that significantly affect the legal position of the University.

III. Signature Authority of Presidents

In order to implement the delegation of signature authority, each university president is responsible for identifying those individuals authorized to sign the following types of documents at their university. The President may assign authority using any appropriate mechanism. The Treasurer will designate signature authority for System Office employees. Careful consideration is to be given to delegation of authority and authority should be limited as much as possible without impeding operations.

Each university and the System Office will maintain a list of delegated signature authorities, including each individual's name, title, and the types of documents that he or she may sign. Each university will **annually** update and forward the listing to the Treasurer's Office.

With the limitations noted, Presidents have the authority to sign or further delegate to appropriate **individuals** the authority to sign:

- Checks drawn on University bank accounts for amounts less than \$25,000, authorization evidenced by the account's signature card signed by the Treasurer;
- Research and grant applications, proposals and contracts for amounts less than \$5,000,000;

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- Any professional services or procurement contracts, including purchase orders in accordance with APL section VII-A.2. (Note: Requisitions are internal documents only, not a commitment of funds, and therefore are not covered by this document);
- Concessions contracts for services provided to the University (e.g., food service contracts, bookstore management agreements, vending agreements).
- Contracts for performances, presentations, seminars, etc.;
- Applications for trademarks and contracts allowing entities to use a University trademark or logo after review by University Counsel;
- Contracts, and related purchase and change orders, for construction, alteration, renovation, repair, demolition, or maintenance of University facilities, of any amount, provided they are on the standard forms provided by the System Office of Facilities for such contracts and follow all procedures outlined by that office and APL section VII-A.2 this includes agreements for architectural/engineering services pertaining thereto;
- Affiliation/association agreements between the University System and any third party (i.e., outside) entity. These agreements are generally of a non-financial nature. Examples of such agreements could include 1) mutual aid agreements between the University and municipalities or 2) partnerships between the University and other educational institutions to accomplish common goals.
- Non-building or non-occupiable building leases;
- Equipment, moveable building, and vehicle leases when the total of all lease payments is less than \$100,000 after following the competitive procurement process when required by APL section VII-A.2 (Note: Those individuals authorized to receive vehicles are identified in Board Policy 404.4.) Such leases totaling \$100,000 to \$500,000 must be signed by the System Purchasing Agent. Amounts of \$500,000 or greater require the Treasurer's approval; and
- Documents related to the:
 - Acquisition of real property through purchase, gift, lease or license following the requirements of APL section II-G.2 and Board Policy 801; and
 - Lease or disposal of university real property to others following the requirements of APL section II-F and Board Policy 802.

Documents include payments and Purchase and Sales agreements. All leases requiring Board approval must be signed by the Treasurer.

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IV. Process for Requesting Additional Signature Authority

When a President desires to sign, or delegate for signature, a document(s) with terms beyond the scope of authority listed above, the President will seek the approval of the Treasurer. For example, Presidents must seek further signature authority prior to signing grant documents (e.g., applications, proposals, and contracts) greater than \$5,000,000, or professional services and procurement contracts greater than \$500,000. To facilitate this process, an executive summary should be sent to the Treasurer indicating:

- the nature of the particular transaction(s),
- who should be authorized to sign related documents,
- the time period that the individual should be authorized to sign,
- total cumulative dollar thresholds,
- individual dollar thresholds, or
- other scope, as applicable.

Along with the summary, the President's approval must be evident (via signature, e-mail, etc.)

The Treasurer will review the request, and where supportive, delegate signature authority accordingly. This approval will be communicated through the respective President. E-mail may be used for this purpose.

V. Assignment of Signature Authority to the System Purchasing Agent

To accomplish the objectives of the University of Maine System Purchasing Procedures (see APL section VII-A.2), the **System Purchasing Agent** is authorized to sign:

- procurement contracts for amounts less than \$500,000 and
- contracts resulting from requests for bids or requests for proposals.

The System Purchasing Agent may sign such documents provided the Purchasing Agent has written approval from the responsible functional person who has authority to commit the institution to the contract and who has appropriate budget authority or approval to commit the related funds. Approval from the functional party may be in the form of an e-mail.

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VI. Signature Authority for All Other Documents

The Treasurer retains authority to approve, or delegate for signature, all documents not mentioned above. This authority includes, but is not limited to, documents related to:

- easements or rights-of-way,
- calling of bonds,
- insurance,
- loans,
- loan guarantees,
- borrowing instruments,
- stock transfer transactions,
- depositories for University funds, and
- procurements and other types of transactions above the specific dollar amounts referenced above.

Documents exceeding the thresholds in this APL must be forwarded to the Treasurer for approval. All such documents shall include the approval of the appropriate department and the campus chief financial officer. For example, research and grant applications, proposals, and contracts totaling \$5,000,000 or greater must be forwarded to the Treasurer for approval and must include the Director of Sponsored Programs and the campus Chief Financial Officer's approval.

Related Documents:

Policy 207 Signatory Authorization
Policy 801 Acquisition of Real Property
Policy 802 Disposition or University as Lessor of Real Property
APL section II-B Motor Vehicle Use & Regulations
APL section VII-A.2 University of Maine System Purchasing Procedures
APL section II-F Sale or Lease of Real Property to Third Parties
APL section II-G Acquisition of Real Property Through Purchase, Gift, Lease, or License

Approved by the Treasurer of the University of Maine System. Official copy on file in the Treasurer's office.

Vice Chancellor Finance and Administration