



UNIVERSITY OF RICHMOND

Policy Manual

Policy #:	GOV-1007	Policy Title:	Board of Trustees Contract Approval and Signature Authority
Effective:	07/12/2024	Responsible Office:	Business Affairs
Date Approved:	07/12/2024	Approval:	Board of Trustees
Replaces Policy Dated:	02/26/2016	Responsible University Official:	EVP and Chief Operating Officer

SCOPE:

This policy applies to the University of Richmond and to its Affiliates to the extent such Affiliates are acting on behalf of the University. As used in this policy, the term “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board. This policy applies to all binding contractual commitments made by or on behalf of the University.

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POLICY STATEMENT:

GOV-1007.1 – Policy

The University will ensure that all contractual commitments are authorized at an appropriate level within the University and in accordance with applicable University policies. The Board of Trustees hereby delegates authority for contract approval and signature in accordance with the provisions of this policy. The Board of Trustees delegates to the Executive Vice President and Chief Operating Officer and the Vice President and General Counsel the authority to develop, implement and maintain a detailed Contract Approval and Signature Matrix (the “Contract Matrix”) consistent with this policy. All contractual commitments made by or on behalf of the University must be approved and executed in accordance with this policy and the Contract Matrix.

This policy is intended to be interpreted and implemented in a manner that is consistent with all other applicable policies and procedures of the University.

A. Definitions

The following definitions are applicable to this policy.

Adjacent Street. For purposes of this policy, the term “Adjacent Street” means College Road, Boatwright Drive, Bandy Street, or Hampshire Road. For purposes of this policy, a residential property located at the intersection of an Adjacent Street and another street shall be deemed to be located on an Adjacent Street regardless of the property’s actual mailing address.

Contract. A 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”), gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent.

Endowment Investment Agreements. For purposes of this policy, an “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. The term “Endowment Investment Agreement” shall not include the Investment Management Agreement between the University of Richmond and Spider Management Company, LLC or other agreements or vehicles used to invest University operating cash outside the endowment.

University House. For purposes of this policy, a “University House” is any residential real property located on or adjacent to the University’s main campus that is owned by the University and may be offered for lease or sale to employees of the University pursuant to this policy and the University’s Policy for Management and Use of University Owned Houses.

B. Board Approval Required

The Contracts listed below must be approved by the Board of Trustees, or an authorized committee of the Board of Trustees. The 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.

- *Corporate Transactions.* Any Contract that changes or materially affects the corporate structure of the University, its subsidiaries or affiliates, including merger agreements, limited liability company operating agreements, and limited partnership agreements (other than investment agreements).
- *Appointment of Independent Auditors.* Any Contract for the engagement of Independent Auditors by the University.
- *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; or (c) the renovation, replacement, or alteration of the President’s home, including routine repairs and maintenance that cumulatively total \$50,000 or more per year.
- *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.

- *License of Software or Software as a Service.* Any Contract pursuant to which the University licenses software or accesses Software as a Service, when the total cost over the entire term of the Contract exceeds \$1,000,000.
- *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.
- *Acquisition of Real Property.* Any Contract that involves the acquisition of real property when: (a) the property is not located on an Adjacent Street and the purchase price exceeds \$500,000; or (b) the property is located on an Adjacent Street and the purchase price exceeds \$1,000,000.
- *Disposition of Real Property.* Any Contract that involves the disposition of real property except: (a) real property that has been donated to the University, is not contiguous to the University campus, has an appraised value of less than \$1,000,000, and is determined by the Executive Vice President and Chief Operating Officer, after consultation with the President, to be of no strategic value to the University; (b) a University House, provided the sales agreement or other instrument permits the University to regain ownership of the property; or (c) real property that is not contiguous to the University campus and has an appraised value of less than \$500,000.
- *Lease of Real Property.* Any lease of real property, other than a University House, a fraternity lodge, or sorority cottage, when: (a) the total lease cost, over the entire term of the lease, exceeds \$1,000,000; or (b) the term of the lease exceeds fifteen years.
- *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.
- *Settlement Agreement.* Any settlement agreement involving the resolution of any litigation, claim, or administrative investigation the total cost of which exceeds \$500,000.
- *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.

C. 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 in this Section C to the officers and employees of the University listed below. Although not specifically named below, the President of the University, subject to the restrictions set forth in Section B of this Policy, shall have the authority to execute any Contract listed in this section, except for Endowment Investment Agreements. The officers and employees authorized to execute Contracts pursuant to this Section C must comply with any applicable limitation or requirement set forth below before executing such contracts.

The Executive Vice President and Chief Operating Officer may delegate authority to sign the Contracts listed in this section to the University's Senior Associate Vice President for Finance & Controller, on a case-by-case basis, when the Executive Vice President and Chief Operating Officer 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.

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<u>Contract Category</u>	<u>Contract Type</u>	<u>Applicable Limitations / Requirements</u>	<u>Director/ SAVP Signature Authority / Applicable Limits</u>	<u>EVP and Chief Operating Officer Signature Authority / Applicable Limits</u>
Equipment	Equipment Sales Agreements	Subject to any prior review and approval process required by the Contract Matrix.	SAVP for Finance & Controller (up to \$500,000)	EVP and Chief Operating Officer (required if over \$500,000)
Facilities	Construction Agreements (including Architect Agreements, Construction Manager Agreements, Contractor Agreements)	Subject to Section B of this policy and to any prior review and approval process required by the Contract Matrix.	SAVP, Campus Operations (up to \$100,000)	EVP and Chief Operating Officer (required if over \$100,000 and up to \$1,000,000)
Finance	Banking and Custody Agreements			EVP and Chief Operating Officer
Finance	Investment Advisor Agreements			EVP and Chief Operating Officer
Finance	Endowment Investment Agreements		Chief Administrative Officer <i>or</i> Director of Operations, Spider Management Company (with written authorization from the President and Chief Investment Officer)	President and Chief Investment Officer <i>or</i> Deputy Chief Investment Officer, Spider Management Company
Finance	Investment Agreements (non-endowment)	Subject to any prior review and approval process required by the Contract Matrix.		EVP and Chief Operating Officer
Information Services	Information Services and Technology Agreements (Agreements (including software license and maintenance, data hosting services, software as a service)	Subject to Section B of this policy and any prior review and approval process required by the Contract Matrix.		Division Vice Presidents (up to \$100,000) Vice President for Information Services (required if over \$100,000 and up to \$500,000) EVP and Chief Operating Officer (required if over \$500,000 and up to \$1,000,000)
Legal	Settlement and Release Agreements	Prior consultation with the Rector is required for any settlement agreement exceeding	Vice President and General Counsel (up to \$100,000)	EVP and Chief Operating Officer (required if over \$100,000 and up to \$500,000)

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<u>Contract Category</u>	<u>Contract Type</u>	<u>Applicable Limitations / Requirements</u>	<u>Director/ SAVP Signature Authority / Applicable Limits</u>	<u>EVP and Chief Operating Officer Signature Authority / Applicable Limits</u>
		\$250,000. Subject to Section B of this policy, and any prior review and approval process required by the Contract Matrix.		
Intellectual Property / Personal Property	Disposition of Assets	Subject to section B of this Policy and any prior review and approval process required by the Contract Matrix.		EVP and Chief Operating Officer
Professional Services	Engagement of Accountants and Independent Auditors	Subject to the approval requirement set forth in Section B of this policy and to any prior review and approval process required by the Contract Matrix.		EVP and Chief Operating Officer
Real Estate	Acquisition of Real Property	Prior consultation with the chair of the Business Management Committee is required for any acquisition of real property. Subject to Section B of this Policy and any prior review and approval process required by the Contract Matrix.		EVP and Chief Operating Officer
Real Estate	Disposition of Real Property	Subject to Section B of this Policy and any prior review and approval processes required by the Contract Matrix.		EVP and Chief Operating Officer
Real Estate	Lease of Real Property	Subject to Section B of this Policy and any prior review and approval process required by the Contract Matrix.		EVP and Chief Operating Officer

D. General Delegation of Approval and Signature Authority

The Executive Vice President and Chief Operating Officer and the Vice President and General Counsel are authorized to develop, implement, and maintain a detailed Contract Matrix consistent with this policy. With

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respect to Contracts not specifically addressed in Sections B or C of this policy, the Contract Matrix shall assign Contract approval and signature authority to specific officers and employees of the University, as determined by Executive Vice President and Chief Operating Officer and the Vice President and General Counsel. The Executive Vice President and Chief Operating Officer and Vice President and General Counsel shall provide periodic briefings to the Audit and Compliance Committee of the Board of Trustees, as an informational agenda item, regarding the creation, material modification, and implementation of the Contract Matrix.

RELATED POLICIES:

FIN 4409 – Delegation of Contract Approval and Signature Authority

FIN 4408 – Contract Management Policy

FIN 4403 – Procurement Policy

POLICY BACKGROUND:

Non-substantive edits made on 7/12/2024 to updates titles and departments

POLICY CONTACTS:

Executive Vice President and Chief Operating Officer

Vice President and General Counsel

Vice President and Secretary to the Board