



Approval of Contractual Agreements	
Responsible Official: Chief Financial Officer	Responsible Office: Procurement and Contract Services

#### Policy Purpose

All governmental entities are required by state and federal law to establish and maintain a system of internal control. The purpose of this policy is to delineate the framework and approval process for contracts entered into between the University and a third party, either electronically or via paper.

#### Policy Statement

Any type of agreement that obligates the University to provide payment, services, goods, or use of University properties, facilities, or other resources to an external party (contracts, agreements, terms and conditions, memoranda of understanding, memoranda of agreement, etc.) must be signed by the president or designee. Only the president and those specific individuals authorized in this policy or in writing by the president, through published policies or other authorizing documents, have the authority to enter into contracts on behalf of the University.

Contracts which are not on East Tennessee State University standard forms must be reviewed by the Office of Legal Counsel before being signed by an authorized University official.

- I. All agreements and contracts affecting the University must be approved and executed by the president or the president's designee including:
  - A. Employment contracts for permanent faculty, administrative staff, and coaches
  - B. Employment contracts for adjunct faculty
  - C. Memorandum of understanding/agreement with other schools regarding exchange of students and/or faculty
  - D. Post retirement agreements
  - E. Professorship appointments
  - F. Exceptions to credit hour and/or compensation limits for part-time faculty
  - G. Moving expense agreements
  - H. Scholarships
- II. The following agreements, contracts, or procurements, in addition to being approved as set out above, shall be submitted to the Board of Trustees for approval:
  - A. Agreements and contracts involving or related to the purchase or disposal of real property and capital outlay projects.
  - B. Agreements involving or related to the leasing (institution as lessee or lessor) of real property for more than five (5) years or more than \$150,000 per year.

- C. The primary operating agreement between the University and its foundation.
  - D. Banking, procurement card, and other financial services agreements.
- Renewals of the above agreements do not require approval by the Board of Trustees if no changes have been made.

III. The Board of Trustees shall be regularly informed of the following agreements approved by the President:

- A. Any agreement, including purchase orders, for two hundred fifty thousand dollars (\$250,000) or more in annual revenue or expense.
- B. Any agreement between the University and any other institution, agency, organization, or entity that provides for the coordinated or cooperative offering of any credit or non-credit programs or activities or in which certificate or degree requirements are met or credit is given for coursework or activities offered by another institution as stipulated in academic policies.
  - 1. Examples of such agreements include provisions for either credit or non-credit academic programs or public service activities to private or state agencies and institutions in the fulfillment of that agency's responsibility for state-wide services or governmental training, and
  - 2. Agreements which require consortia or cooperative arrangements with other institutions, agencies, or associations.
- C. Any noncompetitive contract with a potential term of more than one (1) year and a cumulative value of two hundred fifty thousand dollars (\$250,000) or more. The University shall not enter into multiple one-year contracts involving the same vendor for the same service to circumvent this requirement.

IV. Additional Designations: The president designates to the following University officials the authority to execute contracts on behalf of the University, subject to applicable restrictions contained in the aforementioned policy:

- A. **Vice presidents:** Employment and reappointment contracts for temporary employees; personal, professional, or consulting services contracts less than \$250,000 on behalf of their divisions.
- B. **Vice President of Administration:** Employment contracts for clerical and support staff.
- C. **Vice President Academic Affairs, Provost, and Vice President Health Affairs:** Study abroad agreements.
- D. **Vice President University Advancement:** ETSU Alumni Association agreements using non-state funds. The Vice President University Advancement is the signature authority for the East Tennessee State University Foundation.
- E. **Vice Provost for Research and Sponsored Programs:** Research and service related grants and contracts submitted through the Office of Research and Sponsored Programs and sub-award agreements issued from the Office of Research and Sponsored Programs and/or received from the East Tennessee State University Research Foundation (ETSURF). The Vice Provost for Research and Sponsored Programs is the signature authority for ETSURF contracts.
- F. **Associate Vice President Procurement and Contract Services:** Contracts less than \$250,000 associated with approved requisitions/purchase orders that do not require the President's approval.
- G. **Director of Athletics:** Grant-in-aid contracts for athletes, game sponsorship agreements, personal, professional, or consulting services less than \$250,000 for Athletics, and athletic

sponsorship agreements.

H. **Dean of Graduate Studies:** Graduate assistant contracts.

I. **Director of Residence Life:** Student housing agreements (residence halls and apartments).

J. **Director of Financial Aid:** Student aid agreements and work-study programs.

K. **Departmental Supervisors:** Work study program agreements (federal work study and regular work program).

V. Certain agreements may be subject to additional review and/or approval processes as set out in TCA or other state policies, i.e. Fiscal Review, State Building Commission, etc.

VI. Individuals who execute contracts who are not authorized to do so may be personally liable for the obligations of the contract.

VII. The Board of Trustees may approve exceptions to the requirements of this policy in appropriate circumstances. Requests for exceptions must be signed by the President and include sufficient justification documentation.

Authority: U.S. Government Accountability Office [Standards for Internal Control in the Federal Government GAO-14-704G](#) (the “Green Book”) and the State of Tennessee [Internal Control and Compliance Manual for Governmental Entities and Other Audited Entities in Tennessee](#).

#### Policy History

Effective Date: 3/24/2017

Revision Date:

#### Procedure

N/A

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Effective Date:

Revision Date:

#### Related Form(s)

N/A

#### Scope and Applicability

Primary: Business and Finance