

**CONTRACTING AUTHORITY**

I. Purpose

Board Policy 300.1 addresses the delegation of the authority to execute contracts on behalf of the Board of Trustees, including contracts for the benefit of a campus, division, or unit (“campus”) of the University of Arkansas. This UASP prescribes further requirements for the review of contracts and the delegation of contracting authority under Board Policy 300.1.

II. Contract Requirements

- A. Forms of Contracts. The term “contract” means an agreement or understanding that purports to bind the Board of Trustees or a campus, division or unit (“campus”), regardless of the name assigned to the document or agreement, and includes a lease, license, purchase order, memorandum of understanding, letter of intent, term sheet or other form of agreement or commitment. All contracts shall be in writing.

Each contract shall be in the name of the Board of Trustees of the University of Arkansas and shall indicate the campus for which the contract is applicable. A campus shall not make contracts (other than agreements between campuses) only in the name of a campus. Deviations from this requirement may be allowed under unusual circumstances, but any deviation must be approved in advance by the General Counsel’s Office.

III. Legal Review Requirement

- A. Requirement. Except as described in the following sub-section, all contracts (including contracts with governmental entities not part of the University of Arkansas System) shall be reviewed by the General Counsel’s Office or by an attorney designated by the General Counsel’s office. Review shall occur before the contract is signed. The General Counsel’s Office should be involved early in the process of drafting contracts to avoid delays or complications arising from required revisions.

- B. Legal Review Exceptions. The following do not require legal review, provided that these exceptions do not apply to contracts requiring the signature of the President, the Chief Financial Officer or the Chairman of the Board of Trustees.

- (1) An unmodified form of contract approved by the General Counsel’s Office or by an attorney designated by the General Counsel’s Office.
- (2) Agreements between or among University of Arkansas System campuses.

- (3) Standard purchase orders and similar standard contracts for routine purchases as defined in Section IV(C) of this UASP, when the contract or purchase order utilizes terms and conditions approved by the General Counsel's Office. Services contracts requiring legislative review are not included in this exception and must be reviewed by the General Counsel's Office.

C. Legal Review Process. The following process shall be followed for legal review of contracts.

- (1) Contracts shall be submitted to the General Counsel's Office for review by transmitting a signed and fully completed legal review form (a sample of which is attached to this UASP as Attachment A) together with a copy of the contract and any purchase order and other terms referred to in the contract. To expedite the review, any documents, terms or conditions referred to in the contract or necessary to understanding the contract should also be submitted. Usually, the contact person should be the person who would be most familiar with the substance of the contract, the need for it and the history of the negotiations.
- (2) If the General Counsel's Office suggests changes to the contract the changes shall be either incorporated in the contract or further discussed with the General Counsel's Office and with the contracting parties. If the suggested changes from the General Counsel's Office are not accepted or are revised in the course of the contract negotiations, the final version of the contract must be reviewed by the General Counsel's Office prior to signature.
- (3) Each campus shall develop procedures for assuring prompt and accurate transmission of a contract and legal review form to a member of the General Counsel's Office situated on campus or to the General Counsel's Office in the System Administration office, and to assure that the review process is followed by the campus.
- (4) In its discretion, the General Counsel's office may require a reference copy of executed contracts.

IV. Delegation of Authority

- A. Absence of President and Chief Financial Officer. In the simultaneous absence or unavailability of the President and the Chief Financial Officer, the authority delegated to them by Board Policy 300.1 may be exercised by the General Counsel, the Vice President for University Relations, or the Vice President for Academic Affairs.

- B. General Delegation of Contracting Authority. Within the limits and on the conditions set herein and in Board Policy 300.1, the Chancellor or campus chief executive officer, and the Vice Chancellor for Finance of each campus are each authorized to contract in the name of the Board of Trustees of the University of Arkansas in the normal course of campus operations.
- C. Procurement Officials. Within the limits established in Section V of this UASP, purchase orders and similar contracts for routine purchases may be signed by campus purchasing officials (as designated under State purchasing law) when the purchase order utilizes terms and conditions approved by the General Counsel's office or the contract is in a form approved by the General Counsel's office. For the purposes of this UASP, "routine purchases" means purchases of commodities or services regularly acquired for use in the day-to-day operation and maintenance of a campus and does not include services contracts requiring legislative review or contracts for construction or other capital improvements. Each Chancellor or chief executive officer shall require that campus purchasing officials under their supervision have adequate procedures in place to assure that each invitation for bid or request for proposal contains a notice setting forth certain contractual provisions or conditions that the campus will require and/or prohibit and also that contracts resulting from the purchasing process will be subject to legal review as required by this UASP prior to the award or issuance of a purchase order.
- D. Exceptions to General Delegation of Authority. The delegations of authority in the preceding sub-sections do not grant authority for a Chancellor or chief executive officer, Vice Chancellor for Finance, or Procurement Officials to approve, sign modify or amend any of the following:
- (1) A commitment or a contract to expend in excess of \$2,500,000 to build or renovate a facility.
  - (2) A method of finance proposing to expend in excess of \$2,500,000 to build or renovate a facility.
  - (3) A commitment to initiate or expand an academic program.
  - (4) A commitment or contract to continue expenditures of University funds after the termination or expiration of the underlying contract.
  - (5) An athletics related employment contract paying over \$100,000 annually or that has a term greater than three years.
  - (6) A binding contract or other instrument affecting title to real property, such as a contract to buy or sell real property, a deed, an easement or a right of way. This exception does not apply to real property lease, rental or license contracts, which are separately addressed below. Signature authority for offer letters expressly stating that they are subject to Board of Trustees

approval and other contingencies recommended by the Office of the General Counsel may be delegated.

- (7) A contract for sponsored research or corporate sponsorship that exceeds \$2,500,000.
- (8) A contract for non-human research for a term greater than five years.
- (9) A document to open a bank account or an account with an investment or brokerage firm.
- (10) A lease, rental or license of real property held by the Board with a term greater than two years.
- (11) Any other lease, rental or license of real property held by the Board, regardless of the term, where the lease is for a purpose other than residential use or campus-related programs or activities.
- (12) A lease or rental of real property to the Board where the term of the lease or rental exceeds two years.
- (13) A lease of real property to the Board where payments over the term of the lease will exceed \$500,000.
- (14) Any other contract for an amount exceeding \$10,000,000 or exceeding ten years in duration;
- (15) Any document that requires the signature of the President or Chief Fiscal Officer under applicable state or federal law or other Board policies.
- (16) Any document described in Section VI below.

E. Restriction of Authority. No employee may execute any contract purporting to be on behalf of the Board or a campus or other component unless he or she has been delegated signature authority to do so pursuant to Board policy or this UASP. No contract signed by a person without signature authority delegated by the President pursuant to this policy or other systemwide policies, policies of the Board of Trustees of the University of Arkansas, or applicable law shall be binding upon the campus or the Board of Trustees of the University of Arkansas.

V. Delegation by Chancellors and Chief Executive Officers

A. Limits on Delegation. In the absence of a specific subdelegation by the President pursuant to Section IV(B), the Chancellor or campus chief executive officer is the only campus official authorized to sign the following:

- (1) A commitment or contract to expend in excess of \$1,000,000 to build or renovate a facility.
- (2) A contract not within the scope of Section V(A)(1), the amount of which exceeds \$250,000 individually or \$250,000 in the aggregate when involving connected transactions
- (3) A method of finance proposing to expend in excess of \$1,000,000 to build or renovate a facility.
- (4) Sponsored research or corporate sponsorship contracts in excess of \$1,000,000.
- (5) Any other contract specifically designated by the President or Board of Trustees with such limitations as specified by the President or Board of Trustees.

Contracts that are limited to execution by the Chancellor or campus chief executive officer may only be executed at the campus after the President or Chief Financial Officer has been notified of the proposed contract. Notification can be accomplished by providing a copy of the proposed contract and a copy of an executed General Counsel's legal review form. Upon execution, a copy of the contract, along with the executed General Counsel legal review form, shall be sent via electronic mail by the campus to the System's General Counsel Office.

- B. Subdelegation of Contracting Authority. Authority to contract in the name of the Board may be subdelegated, or the dollar limits on authority set forth in this UASP may be modified, only by written authorization of the President. Every such request will be directed to the President with such justification as the President may require and will designate the position to which authority is to be delegated and the scope of delegated authority or dollar limit to be modified. Each Chancellor or chief executive officer, or a campus officer designated by the Chancellor or chief executive officer, shall maintain a record of approved subdelegation requests. The request shall be made on the form attached to this policy as Attachment B.

Subdelegation of contracting authority beyond the level of Vice Chancellor, Associate Vice Chancellor, Dean or Director will require special justification.

- C. Research and Sponsorship Applications, Proposals and Certifications. The authority to review, approve, and sign applications or proposals for sponsored research programs and corporate sponsorship contracts is delegated to the Chancellor, campus chief executive officer and vice chancellor for finance, and may be specially delegated pursuant to Section V(B) of this UASP to the campus

vice chancellor for research or an individual holding a comparable position, or a designee.

Contracts or grants for research and sponsored programs often contain certifications that the recipient is in compliance with applicable federal laws and regulations. Any such certification shall be signed by the Chancellor or chief executive officer, Vice Chancellor for Finance, Vice Chancellor for Research (or comparable position), or other campus official to whom this authority has been specially delegated pursuant to Section V(B) of this UASP.

VI. Services Contracts Requiring Legislative Review

Placing services contracts on the agenda of the Legislative Council for its review and appearing at meetings of the Legislative Council or other appropriate committees of the Legislature reviewing such contracts shall be the responsibility of each Chancellor or chief executive officer or his/her designee.

VII. Miscellaneous Documents for Which Signatory Authority is not Delegated

Under applicable state or federal law or policies of the Board of Trustees, certain documents or authorizations continue to require the signature of the President or Chief Fiscal Officer. Among these are the following:

- A. Powers of attorney authorizing an individual or firm to take specific limited action on behalf of the University, excepting limited powers of attorney for purposes of customs clearance in a form approved by the General Counsel's Office or for purposes of prosecuting patent applications on behalf of the University in the United States Patent and Trademark Office.
- B. Documents in probate proceedings in which the University is a beneficiary such as an entry of appearance and waiver of notice or a receipt of distribution, which may be signed only by the President, Chief Financial Officer or by an attorney employed by the Office of the General Counsel.

Attachment A - Legal Review Form

Attachment B - Request to Delegate Contracting Authority

September 17, 2021 (Revised)

July 31, 2019 (Revised)

May 8, 2017 (Revised)

June 6, 2016 (Revised)

April 29, 2016

**UNIVERSITY OF ARKANSAS LEGAL REVIEW FORM**

The following information is submitted to the General Counsel's office for contract review pursuant to University Systemwide Policies and Procedures 300.1:

1. Campus, Division or Unit: \_\_\_\_\_

2. Other Contracting Party or Parties: \_\_\_\_\_  
\_\_\_\_\_

3. Brief Description of Subject Matter of Contract: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Amount: \$ \_\_\_\_\_

5. Research or Sponsored Program: \_\_\_\_\_(Yes) \_\_\_\_\_(No)

6. Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

7. Has the proposed transaction been reviewed for compliance with Arkansas procurement requirements? \_\_\_\_\_

\_\_\_\_\_  
Signature of Contact Person

\_\_\_\_\_  
Date

The above contract has received legal review and is acceptable for signature ( ) **or** ( ) is returned with comments and/or suggested revisions. Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
General Counsel's Office\*

\_\_\_\_\_  
Date

\* For contracts for the purchase of commodities or services, as defined by the Arkansas Procurement Law in which the single year contract amount exceeds \$75,000, this signature certifies that the contract has been reviewed in accordance with the requirements of Ark. Code Ann. § 19-11-219(b)(1), and, where necessary, changes have been proposed to make the contract consistent with the requirements of Arkansas law and University policy.

**REQUEST TO DELEGATE CONTRACTING AUTHORITY**

This form must be signed by the Chancellor (or chief executive officer of a unit or division) or the Vice Chancellor for Finance and Administration and should be sent to the Chief Fiscal Officer. The delegation number will be assigned by the Chief Fiscal Officer after approval by the President and a numbered copy will be returned to the requesting official for transmission to the person occupying the position to which delegated authority has been given.

**Delegation No.** \_\_\_\_\_

**Official Requesting Delegation:** \_\_\_\_\_  
\_\_\_\_\_

**Position(s) to Which Authority is to be Delegated and the Current Occupant of Position(s):**  
\_\_\_\_\_  
\_\_\_\_\_

**Contracting Authority to be Delegated or Modified:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Justification for Delegation or Modification:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Limitations on Delegated Authority, if any:** \_\_\_\_\_  
\_\_\_\_\_

*Except as specifically provided herein, this delegation is subject to limitations as outlined in Board of Trustees Policy 300.1 and UA Systemwide Policies and Procedures 300.1*

**Signature of Requesting Official:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Action by the President**

Pursuant to University Systemwide Policies and Procedures 300.1, the above request for a delegation of contracting authority is hereby  **approved**  **rejected**, effective \_\_\_\_\_.  
**(Date)**

\_\_\_\_\_  
**President**