



## **CONTRACT MANAGEMENT POLICY**

Approved By: Board of Trustees  
Effective Date: October 6, 2017  
History: Approval Date: October 6, 2017  
Revisions:  
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Responsible Official: General Counsel

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### **Policy Purpose**

The purpose of this Contract Management Policy (the “Policy”) is to establish guidelines regarding the review, execution, and oversight of written agreements intended to create legally binding obligations on Wake Forest University (the “University”). The Policy is designed to ensure the University’s compliance with its Bylaws, Policy Resolutions in Implementation of the Bylaws, and federal and state laws and regulations applicable to the University.

### **Guidance and Responsibilities**

University contracts are entered pursuant to the procedures adopted by the Board of Trustees of the University (the “Board”) and implemented by authorized designees of the Board. Authority for the execution of contracts and related documents is prescribed by the Board and set forth in this Policy.

#### **Primary Guidance**

The primary guidance for this Policy is the Policy Resolutions in Implementation of the Bylaws of the University, Section 2.4.

#### **Responsible University Office or Officer**

The Board is responsible for reviewing and approving this Policy. The Legal Department and the Financial Services Department are jointly responsible for the maintenance of this Policy and the oversight of the associated Administrative Procedure.

## **Who Is Governed By This Policy**

This Policy applies to any individual who seeks to bind the University contractually.

## **Who Should Know This Policy**

All faculty, staff, and students who seek to bind the University contractually.

## **Exclusions & Special Situations**

As set forth in Section 1.a. of the Policy below, contracts relating to real estate are not covered by this Policy. Exceptions from the Contract Management Administrative Procedure are identified in the Contract Management Administrative Procedure.

## **Policy Text**

### **1. Scope.**

- a. All contracts related to the business of the University, except for (i) contracts relating to the acquisition or disposition of non-leasehold Real Estate, which are covered by the Policy Resolution in Implementation of the Bylaws of the University relating to Real Estate Contracts, and (ii) employment contracts, which are covered by Human Resources policies and procedures, must be executed as set forth below.
- b. No contract may be entered by the University which permits another person or entity to exercise the prerogatives of the University, its administration or its faculty with regard to appointment of faculty, the setting of curriculum, or the establishment of courses or course credit.
- c. For purposes of this Policy, a “contract” is considered any obligation of the University requiring the performance of services, the use or transfer of property, or the payment or receipt of money to, by, for, or from the University.
- d. If a transaction provides for a series of related obligations, the total cost of the transaction is aggregated in applying the monetary limits set forth below.
- e. This Policy does not restrict authority to execute contracts or other obligations which have been specifically authorized by the Board of Trustees.
- f. References in this Policy to a Secretary or Assistant Secretary relate to the corporate officers holding those titles, as appointed by the Board of Trustees.

## 2. General Provisions.

- a. All contracts must be documented, and any contract for \$10,000 or more must be in writing and signed by the counterparty. If an oral contract is required in an emergency situation, the agreement should be reported to an appropriate supervisor and documented in writing as soon as possible.
- b. Unless otherwise provided in this Policy or in the University's Contract Management Administrative Procedure (the "Administrative Procedure"), all written contracts, regardless of amount, should be processed in accordance with the Administrative Procedure.
- c. A contract for \$250,000 or more must be approved as to legality, form, and compliance with University policies by the University's Legal Department.
- d. A contract involving (i) the sale of any University asset for \$10,000 or more or (ii) the lease of any University property must be approved by the University's Chief Financial Officer or his or her authorized designee.
- e. No student is authorized to enter a contract on behalf of the University.
- f. This Policy supersedes any practice, policy, delegations or guidelines relating to its subject matter.
- g. The University's Chief Financial Officer has the right to direct that uniform processes be adopted in connection with this Policy and the Administrative Procedure. The President and the Chief Financial Officer of the University have the right to interpret the Policy and the Administrative Procedure in any manner that does not conflict with the policies of the Board of Trustees.

## 3. Contracts in the Ordinary Course of Business

- a. **Definition.** The following categories of contracts are contracts in the ordinary course of business:
  - i. Contracts relating to support from state and federal agencies with regard to scholarships, capitation provisions, and other support provided to or for members of the student body.
  - ii. Contracts relating to grants for funded research in areas of activity which are within the course of the University's academic programs.
  - iii. Contracts relating to services, supplies, maintenance, and other operational matters in connection with activities regularly carried on in connection with the University and its programs and made within Board-approved budgetary authority. For purposes of this Policy and the Administrative Procedure, multi-

year contracts involving operating expenses that have been approved by the Board for at least one year within the University's budget are considered to be contracts made within Board-approved budgetary authority. A Board-approved budget may include the placement of multiple operating expenses under a single budgetary line item.

iv. Contracts relating to capital expenditures made within Board-approved budgetary authority. For purposes of this Policy and the Administrative Procedure, multi-year contracts involving capital expenditures that have been approved by the Board for at least one year within the University's budget are considered to be contracts made within Board-approved budgetary authority. A Board-approved budget may include the placement of multiple capital expenditures under a single budgetary line item.

b. **Authority.** Each of the President and the Chief Financial Officer of the University is authorized to enter contracts in the ordinary course of business, without limitation as to amount.

c. **Delegations of Authority.**

i. The President of the University is authorized to delegate, in writing, to anyone who reports directly or indirectly to the President, authority to enter contracts in the ordinary course of business which relate to the area of responsibility of such person, in such amount as the President determines.

ii. The Provost, the Director of Athletics, and any Vice President or Dean to whom the President has delegated authority under Section 3.c.i. of this Policy may, in a writing endorsed by the President, delegate authority to one subordinate to enter contracts in the ordinary course of business in specified areas which have been delegated to that person. The delegation must specify a dollar amount limitation.

iii. A list of delegations of authority currently in effect will be embodied in an exhibit to the Administrative Procedure signed by the President of the University, which will be revised from time to time. Any additional delegations of authority to enter contracts pursuant to the foregoing provisions are valid only when filed with the Secretary of the University, with a copy to the University's Contracts Administrator.

#### 4. **Contracts Outside the Ordinary Course of Business.**

a. **Definition.** Contracts other than those defined in Section 3.a. of this Policy, including but not limited to contracts for unbudgeted capital expenditures, are considered contracts outside the ordinary course of business.

**b. Authority.**

- i. The President of the University (or, in the President's absence, the Chief Financial Officer) is authorized to enter contracts outside the ordinary course of business which are \$2,000,000 or less.
- ii. The President of the University (or, in the President's absence, the Chief Financial Officer) and the Chair or a Vice Chair of the Board of Trustees, together with the Chair or a Vice Chair of the Finance Committee, are authorized to enter contracts outside the ordinary course of business which are \$5,000,000 or less.
- iii. The Board of Trustees must specifically authorize contracts outside the ordinary course of business in excess of \$5,000,000.

**c. Delegations of Authority.**

- i. The President of the University is authorized to delegate, in writing, to anyone who reports directly or indirectly to the President, authority to enter contracts outside the ordinary course of business in such amount as the President determines, within the limit for the President set forth above.
- ii. Delegations of authority to enter contracts pursuant to the foregoing provisions are valid only when filed with the Secretary of the University, with a copy to the University's Contracts Administrator. A list of delegations of authority currently in effect will be embodied in an exhibit to the Administrative Procedure signed by the President of the University, which may be revised from time to time.