

**THE TRUSTEES OF TRINITY COLLEGE
POLICY ON CONTRACT REVIEW AND
SIGNATURE AND EXPENDITURE AUTHORITY**

Trinity College Policy No. 9.2

Policy Statement

Contracts are legally binding commitments of the college, financially or as other deliverables. The Policy on Contract Review and Signature and Expenditure Authority establishes college-wide rules concerning the approval and execution of contracts on behalf of the college, and specifies the positions and expenditure levels for employees with such authority. The policy recognizes the importance of identifying and mitigating contract approval risks and provides processes to ensure operational effectiveness, including defining the types of contracts that require prior review by the general counsel or designee and/or the vice president of finance and chief financial officer before they are signed.

This policy applies to all college employees and contractors. It applies to all contracts between the college and third parties. This policy supersedes any practice, policy, delegations, or guidelines on contract authority issued prior to its effective date.

Definitions

For purposes of this policy, the following definitions shall apply:

Conflict of Interest: A “conflict of interest” is a situation or circumstance in which an employee or contractor benefits personally from actions or decisions made in their professional capacity that may (i) bias or compromise an employee’s or contractor’s judgment or objectivity, (ii) violate the [Code of Ethics](#), or (iii) potentially compromise the institutional interests of Trinity College.

Contract

“Contract” means any document or arrangement setting forth a binding agreement between Trinity and a third party (i.e., vendor, contractor, and/or subcontractor). A document or arrangement need not be called a contract expressly to be considered binding upon the college. It might be called, for example, a “memorandum of understanding,” “MOU,” “letter of agreement,” “letter of understanding,” “terms and conditions,” or “terms of use.” Contracts can be formed verbally and by email exchanges if certain conditions are met. Employees should presume that any kind of agreement or document that places obligations on the college or one of its units is a binding contract, and the appropriate procedures must be followed prior to acceptance or execution of the contract.

Contractor (or Vendor)

A “contractor” or “vendor” (including its subcontractors and agents) is a person or business entity that provides goods or services to the college under terms specified in a contract. Unlike employees, contractors are independent entities and do not work exclusively for one person or business.

Delegatee

“Delegatee” is an employee to whom another employee with signature authority (the delegator) has delegated the authority to sign contracts on behalf of the college. Delegatees may not further delegate such authority to another employee.

Delegator

“Delegator” is an employee with signature authority who has delegated the authority to sign contracts on behalf of the college to another employee (the delegatee).

Employee

“Employee” is a person hired to work for Trinity College as an administrator, faculty, staff, or student worker.

Signatory

“Signatory” means an employee authorized to approve and execute a contract.

Term

“Term” means the period of time a contract is in effect.

Contract Signature Authority

The following employees have general authority to execute contracts on behalf of the college, as set forth in detail in the resolutions of the Board of Trustees delegating authority to sign contracts. These employees are authorized to delegate such authority to other employees.

- a. President;
- b. Vice president of finance and chief financial officer;
- c. General counsel and secretary of the college;
- d. Assistant vice president for finance; and
- e. Director of procurement and business services

Delegation of Signature Authority

Delegation of authority to execute contracts on behalf of the college is permitted under the following conditions:

- a. The delegation is made by an employee whom the Board of Trustees has authorized to sign contracts on behalf of the college;
- b. The delegation is in writing and restricted to the particular contract or contract type and specifies the maximum contract value, and a copy of the delegation is sent to the director of procurement and business services;
- c. The employee delegating signatory authority remains responsible for the actions of the delegatee; and
- d. The delegatee may not further delegate the signatory authority to another person.

Board of Trustee Approval Required for Certain Contracts

The Standing Rules of the Board of Trustees provide that the Board of Trustees must approve the following contracts/transactions:

- a. All capital expenditures exceeding \$350,000 and not included in a budget previously approved by the Finance Subcommittee of the Board of Trustees;
- b. All capital expenditures exceeding \$1 million and not included in a budget previously approved by the Board of Trustees; and
- c. Any proposed borrowing of principal in the amount of \$1 million or more or for a term of five years or more.

Consequences of Executing Contracts without Proper Authorization

Employees should confirm their signature authority before signing a contract on behalf of the college. An employee who executes a contract on behalf of the college without proper authority is subject to the following actions:

- a. Potential disciplinary action by the college, including termination of employment; and
- b. Potential legal action by the college, along with personal liability for any obligations under the contract, including the financial obligations set forth in the contract.

Elaboration of the Policy

1. *Types of Contracts*

The contract types listed below are typical of the contracts the college will enter into with third parties, all of which are subject to this policy and the approval process set forth below:

- a. *Procurement or Lease of Goods and Services.* Specific requirements that apply to contracts for procurement or lease of goods and services are set forth in the [Trinity College Procurement Policy](#). All college personnel are required to abide by the requirements and review process outlined in the procurement policy when requisitioning goods and services.
- b. *Grants and Contracts for Sponsored Research.* The Grants Office manages acceptance of grants or other research agreements. The senior director of that office will consult with the dean of the faculty, the vice president of finance and chief financial officer, and the general counsel prior to acceptance of any contract of \$250,000 or more or contracts with nonstandard terms and conditions.
- c. *All Other Contracts.* These include agreements for the purchase, sale, donation, or rental of real estate; employment agreements; agreements for the acceptance and recognition of gifts to the college; agreements that settle claims, disputes, or litigation; nondisclosure agreements; confidentiality agreements; agreements authorizing the right to use the college's name, logos, or other intellectual property; liability waivers; student and faculty exchange agreements; and agreements involving student-run events.

2. Expenditure Authority for Contracts for Goods and Services

Whenever possible, every attempt should be made to use a contract template approved by the general counsel. However, when it is necessary to use a contractor’s standard contract, at a minimum, the contract must be reviewed by the director of procurement and business services before it may be signed.

The table below outlines the steps required for contract approval based on different management levels and dollar amounts:

| Management | Dollar Amount | Step 1 | Step 2 | Step 3 |
|---------------------------------------|----------------------|---|--------------------|-----------------------------|
| Department Chair and Directors | \$0–\$5,000 | Procurement Office reviews and issues contract* | | |
| Deans and AVPs | \$0–\$10,000 | Procurement Office reviews and issues contract* | | |
| Vice Presidents | \$0–\$50,000 | Procurement Office reviews and issues contract* | | |
| Vice Presidents | \$50,001–\$2M | Sent to GC for legal review | CFO approves | Procurement issues contract |
| Vice Presidents | \$2M+ | Sent to GC and CFO for review | President approves | Procurement issues contract |

*Note: The dollar amounts in this policy relate to the total, cumulative value of the contract. Individual installments of a particular contract should be aggregated to determine total value.

Review by the General Counsel and the Vice President of Finance and Operations

If any of the following conditions apply, the contract must be reviewed by the general counsel and/or the Office of the Vice President of Finance and Operations.

- a. the contract differs from the college templates (GC);
- b. the contract payment terms are different from the college standard payment terms (CFO);
- c. the contract involves providing confidential or personal data to a third party (GC);
- d. the contract extends beyond one year or renews automatically (GC and CFO);

- e. the contract involves use of college facilities by an outside organization or group (GC);
- f. the contract involves intellectual property matters, including, but not limited to, copyright or trademark licensing (GC);
- g. the contract allows the vendor to disclose or promote its relationship with the college, including, by way of example, listing Trinity’s name publicly, providing the college as a reference, or using Trinity College in a case study; such language also would require a review by a designated marketing contact (GC);
- h. the contract terms require advanced payments (CFO);
- i. the contract includes clauses that agree to limitation of liability (GC);
- j. the contract involves the payment or receipt of property valued at \$50,000 or more or may cause the college to incur legal liability of \$50,000 or more (this applies to a single payment as well as payments over multiple years) (GC and CFO);
- k. the employee signing the contract does not understand what the contract means or is unsure of their signing authority (GC);
- l. any actual or potential conflicts of interest exist, regardless of the dollar value of the contract (GC); or
- m. the proposed contractor or service provider cannot provide a certificate that meets the college’s minimum insurance requirements. (GC and CFO).

In addition, several types of agreements must be reviewed and approved by other departments on campus with administrative oversight of the subject matter of the contract. The following table outlines specific approvals that may be required in the contract review and approval process.

| Category | Step 1 | Step 2 |
|---|---|--|
| Academic MOUs | Review and approval by dean of the faculty | Issue MOU |
| Data Services, including Software and Hardware | Review and approval by VP of LITS | Follow above-defined contract approval process |
| Construction and Renovation | Review and approval by AVP for construction, facilities, and operations | Follow above-defined contract approval process |
| Gift Agreements | Review and approval by VP of Advancement | Follow above-defined contract approval process |

3. *Procedure for Review of Contracts for Goods and Services*

Contracts requiring review should be submitted to the director of procurement and business services with a Contract Request Form ([Appendix A](#)). Once reviewed, the director of procurement and business services will determine if the submitted contract requires additional review by the general counsel and/or vice president for finance and chief financial officer and will forward the contract as necessary. Once reviewed by the general counsel or designee and the business manager and vice

president overseeing that business unit have duly considered and incorporated counsel's advice as necessary, the contract will be forwarded to the vice president for finance and chief financial officer for review and/or signature or returned to the director of procurement and business services.

The director of procurement and business services will work with the department to obtain the signature of the other contracting party. Once both parties sign the contract, the original executed contract or agreement should be sent to the director of procurement and business services to be kept on file, along with a requisition to generate a purchase order. If a contract is multiyear, a new requisition must be submitted every year for the annual contract amount.

Please allow a minimum of 14 business days for the review process to be completed. Please note, more complicated contracts may require longer than 14 business days to review. In addition, if the director of procurement and business services or the general counsel recommend changes in the contract language after review, negotiations with the vendor may take additional time. Complex negotiations can take several weeks or more. Accordingly, departments should plan sufficient lead time for both the contract review and the possibility of contract negotiation.

Unless otherwise authorized by this policy or an exemption granted by the general counsel, no department policy shall supersede or conflict with the terms set forth in this policy.

4. *Students and Student Organizations*

Students and student organizations may not enter into any contracts, regardless of amount, in the name of or on behalf of Trinity College or commit Trinity College or any of its funds or facilities without the prior approval and the signature of the vice president for student success and enrollment or delegate. If additional administrative review is required, please follow the procedure noted above.

5. *Contract Retention*

The Purchasing Office/director of procurement and business services is the designated custodian of all contracts for the purchase and lease of goods and services (including purchase orders). Send originals of these executed contracts to the director of procurement and business services for retention. The Grants Office shall maintain its fully executed contracts and agreements. All other contracts should be maintained by the department of origin, as set forth by the college's Records Retention Schedule.

Responsible Officers

Dan Hitchell, Vice President of Finance and Chief Financial Officer

Dickens Mathieu, General Counsel and Secretary of the College (or a designee appointed by the president)

Key Offices to Contact Regarding the Policy and Its Implementation

Office of Finance

Dan Hitchell, Vice President of Finance and Chief Financial Officer

dan.hitchell@trincoll.edu

860-297-4224

Office of the General Counsel
Dickens Mathieu, General Counsel and Secretary of the College
dickens.mathieu@trincoll.edu
860-297-2253

List of Appendices

Appendix A: Contract Request Form Template

Date of Initial Policy

The effective date of this policy is December 20, 2021

Trinity College Contract Request Form

For applicable contracts, Responsible Officers must submit this completed form to the Office of the General Counsel.

Contract or Transaction Type: _____

Start Date: _____ End Date: _____ Renewal of Existing Contract (Y/N): _____

Renewal/Contract Termination Notification Date: _____

Vendor Company Name: _____

Trinity Contact: _____ Phone: _____

Email: _____

Any Potential Conflicts of Interest with the Vendor? (Y/N): _____ *

**If yes, please attach full explanation.*

Annual Contract Obligation (\$): _____

Deadline/Timeline: _____

Contract Summary: _____

Signature: _____ Date: _____

Standard Review and Approval

Approval of appropriate Responsible Officer (see [Policy on College Policies](#))

Name: _____ Signature: _____

Title/Department: _____

General counsel review is required for any of the following conditions; please check all that apply:

- Contracts totaling \$50,000 or more
- Contracts with rights or commitments in excess of three years
- Contracts in which the college provides indemnification against claims or waiver of claims or that seek to limit liability in any way
- Contracts containing choice of law or legal forum selection provisions

General Counsel and VP of Finance Review and Approval (for applicable contracts)

- President consulted for contracts > \$2 million
- Applicable insurance provisions reviewed

General Counsel

Date

Vice President of Finance and Operations

Date