

## FREQUENTLY ASKED QUESTIONS

### 1. What is a contract or other binding written instrument?

In the simplest of terms, contracts are agreements that impose legally enforceable obligations. For purposes of this policy, a contract is any written instrument that imposes binding obligations on the University, and on the Arizona Board of Regents (“ABOR”) as the corporate body with legal authority and jurisdiction over the University.

### 2. Who is authorized to sign and execute contracts?

Pursuant to [ABOR Policy 3-103](#) and this policy, only the President and University officers to whom the President has formally delegated contract signature authority in writing with specified limitations are authorized to sign University contracts. If you are not an authorized signer with delegated contract signature authority, you may not sign a contract on behalf of the University or any department or unit thereof. Nor may officials with delegated signature authority execute a contract that does not fall within the specified contract type, subject matter, and dollar limitations of their delegated signature authority. No University officials are authorized to enter into any type of non-written or verbal contract.

### 3. What is contract signature delegation “certification” and why must one be “certified” to ABOR as an authorized signer prior to signing some contracts?

Under [ABOR Policy 3-103](#) and this policy, the President must “certify” to the executive director of ABOR those University officers who are authorized to sign contracts where the value of the University’s obligation exceeds \$10,000. This certification consists of giving advance notice of those officers to whom the President has delegated this authority. Further, the President may delegate contract signature authority to University officials without certification when 1) the value of the University’s obligation is \$10,000 or less, and 2) the delegation is warranted by the President to improve the efficiency and effectiveness of University operations while not generating undue risk of financial loss.

### 4. What types of contracts might I encounter at the University?

Common examples of contracts one might encounter at the University include, but are not limited to, employment or procurement contracts, revenue sharing agreements, leases, grant agreements, research or sponsored project contracts, non-disclosure agreements, memoranda or letters of understanding or intent, business service terms and conditions, international program agreements, royalty or settlement contracts, banking agreements, trademark or licensing contracts, tax forms, intergovernmental or affiliation agreements, and real property acquisition, maintenance, or construction contracts.

### 5. Are there limits to the types of contracts that authorized signers can execute?

Yes, the President only delegates contract signature authority with specified limitations that may include contract type, subject matter area, and dollar amounts. The *Contract Signature Authority Delegations List* includes the specified limitations for each signer. Signing a contract outside the scope of one’s delegated signature authority is a serious breach of ABOR and University policy that may result in disciplinary action up to and including termination of employment and personal liability under [A.R.S. § 35-154](#).

## **6. May I delegate or transfer my delegated contract signature authority to another University employee?**

No. Authorized signers may not further delegate or transfer their delegated contract signature authority to any other employee. Only the President, often acting on the recommendation of an Executive Team member, may delegate contract signature authority to a University official.

## **7. How do I become an authorized signer?**

If you are a University official with a need for contract signature authority, speak with your supervisor about becoming an authorized signer. Members of the President's Executive Team utilize the signature authority delegation procedure that accompanies this policy to recommend to the President officials within their areas of jurisdiction they believe should be added to the *Contract Signature Authority Delegations List*.

## **8. What responsibilities do I have as an authorized signer?**

Authorized signers are responsible for ensuring that all contract documents they execute on behalf of the University and ABOR—and any associated negotiation, review, and implementation processes—fully comply with **all** applicable federal and state laws, ABOR and University policies, and all other applicable rules. Contracts, Purchasing, and Risk Management and the Office of Sponsored Projects are available to help in this regard. See [ABOR Policy 3-201](#) for additional information about legal compliance related to contracts for services or materials. Signers must also ensure that copies of contracts and related materials are provided in a timely fashion to either Contracts, Purchasing, and Risk Management or the Office of Sponsored Projects in accordance with document retention requirements.

## **9. Where can I find a list of the President's contract signature delegations?**

The *Contract Signature Delegations List* is available from the *Contract Signature Authority* policy page in the University Policy Library, located at <https://nau.edu/university-policy-library/contract-signature-authority>. The list includes each authorized signer's specified contract type, subject matter, and dollar limitation.

## **10. I am not an authorized signer. Can I still participate in contract negotiations?**

Yes, as long as you coordinate first with Contracts, Purchasing, and Risk Management or the Office of Sponsored Projects, and you are acting in a manner consistent with your duties and responsibilities and directives from your supervisor. By coordinating in advance with either Contracts, Purchasing, and Risk Management or the Office of Sponsored Projects as appropriate, University officials without delegated signature authority may participate in discussions or negotiations with an outside party regarding a potential contract. Only authorized signers may sign and execute a contract, however.

## **11. Where can I go for additional information or guidance?**

Contact the Office of Sponsored Projects for assistance with sponsored grant proposals, contracts, and subcontracts or Contracts, Purchasing, and Risk Management with questions about delegated contract signature authority or for help with all other types of contracts or contract negotiations.

## **12. Are departmental officials still authorized to sign hotel contracts up to \$5,000?**

No. This former practice does not comply with ABOR mandates. Only officials with delegated signature authority from the President may sign contracts on the University's behalf.