

## **Signatory Levels of Authorization Policy**

Effective: 2022.05.01

### **I. Purpose of the Policy**

The purpose of this Policy is to promote the Universidad del Sagrado Corazón's (hereafter Sagrado or the University) internal control environment through the establishment of signatory authority levels which gives authority to sign contracts on behalf of Sagrado.

### **II. Scope of the Policy**

This Policy applies to any type of contractual agreement entered by any member of the University community on behalf of the University that obligates the University (i) to provide or receive payments, services, goods, or gifts to or from a third party, or (ii) requires the use of University property, facilities, or other resources.

### **III. Definitions**

*Authority* means the right to decide or enter into a transaction or agreement on behalf of the University and to execute the Contract.

*Contract* means any legal instrument between the University and a third party, which may be a person or legal entity, whereby one party agrees to give something or provide some service to the other party, usually in exchange for a monetary or in-kind payment. Contracts are binding and obligate the contracting parties.

*Collaboration Agreement* means any document that formalizes the terms and conditions a collaboration between the University and a third party such as, for example, the exchange of academic and learning experiences for faculty and/or students (e.g., memorandums of understanding, interuniversity articulation agreements, and student practice agreements).

*Management Group Member* means employees of the University who hold the position of director or higher.

*Responsible Unit* means the unit that due to the nature of its operations is the responsible for the contract execution.

*University Community* means the University's faculty, officers, trustees, employees, students, and consultants, vendors, and contractors.

*University Officer* means those employees that responds directly to the President and are specifically designated by the Board of Trustees as University Officers.

#### **IV. Statement of Policy**

The University will only be bound by written contracts to which the University is a party that (i) have been reviewed by the Office of General Counsel, and (ii) have been executed by University officials who have specific contract signature authority. No officer or member of the University community has the authority to sign Contracts on behalf of the University or any program, department or division of the University in the absence of a formal written delegation of authority. No contract should be signed without the General Counsel's review and approval of the Contract.

#### **V. Signatory Responsibilities**

When a member of the University Community signs a contract on behalf of the University, the following representations are implied and confirmed:

1. The contract is consistent with the Mission, the Vision, the Principles and Values of the University.
2. Funds are available for the transaction based of approved budget and designated accounts if the transaction requires the expenditures of funds.
3. The transaction is made in the best interests of the University and the signatory has no reason to believe that a conflict of interest exists as established by the University's policies regarding conflict of interest and ethical conduct.
4. The transaction relates to the University's operations and business procedures.
5. The transaction complies with all existing federal and state laws and regulations, and the University policies and procedures.
6. All required institutional reviews and approvals of the terms and conditions of any particular contract has been obtained before any commitment is made and the contract is signed.
7. The transactions involved comply with all applicable policies and procedures established by the University.
8. Contracts are not split into multiple transactions and smaller dollar amounts to circumvent limits established by this policy.
9. All applicable University, federal and state requirements concerning competitive bidding have been satisfied.

The University does not recognize as binding any promise or obligation made by an unauthorized member of the University community. Any person or legal entity signing contracts or attempting to bind the University without first obtaining the approval from an authorized University officer as identified in this Policy could become subject to personal legal action and, in the case of employees, University disciplinary action up to and including termination. In the case of third-party contractors, it is their responsibility

to validate if the person signing the contract on behalf of the University is an authorized individual.

## **VII. Delegation of Authority to Execute Contracts**

The University's Bylaws establish that the President of the University has the power and authority to bind the University and, in connection therewith, to execute transactions, sign and deliver agreements, contracts, commitments and confirmations and any other necessary, desirable, or customary documents subject to compliance with the Bylaws and the University's policies.

### **A. Delegation from the President to University Officers.**

The President of the University may delegate his authority to any of the University's Officers as established by the University's Bylaws. Accordingly, the President has delegated his authority pursuant to this Signatory Levels of Authority Policy.

The Chief Academic Officer (Provost), Chief Financial Officer (CFO) and the General Counsel are each authorized to sign on behalf of another University Officer (not the President) in case of the unavailability of the University Officer authorized and responsible for signing. The President may specifically authorize any other University officer to sign a particular contract if the authorized officers are not available at a particular moment.

In the event of the unavailability of the President, only the University Officer expressly designated to exercise presidential authority in the event of the unavailability of the President, pursuant to the procedure established by the Board of Trustees, may exercise such authority and only during the unavailability of the President.

### **B. Delegation from University Officers to Management Group Members.**

The University Officers might delegate their authority to a Management Group Member within the delegating University Officer's area of responsibility who is be capable of exercising such duty and has sufficient professional qualifications. A University Officer who delegates his or her authority remains accountable for the exercise of such authority. An appropriate delegation of authority must meet the following requirements:

1. Enhances the effectiveness or efficiency of operations while maintaining accountability.
2. Does not subject the University to a conflict of interest or circumvent internal controls.
3. Is commensurate with the delegate's role within the organization.
4. The delegate must be involved and knowledgeable of the activity being conducted and have a level of responsibility within the University consistent with the authority being delegated.

5. Does not involve any activity that is outside the delegate’s professional qualifications or licensure.

The authority delegation must be documented in writing by the University Officer and approved by the General Counsel.

## **VII. Signatory Levels of Authority**

A member of the University community with signatory authority will have the permission to sign contracts in accordance with the guidelines of authority in this section and based on the type and amount of the contract. The President has the overall authority to review and sign all contracts on behalf of the University in accordance with the Bylaws and the University's policies.

Any contract type not detailed in this document should be signed and approved by the University Officer of the contracting unit and within their respective area of responsibility.

### **A. Levels of Authority**

A member of the University Community with signatory authority will have the permission to sign contracts in accordance with the levels established in this section. The University Officer may designate a management group member within the unit for signature of contracts for less than \$10,000.

<b>Amount</b>	<b>Authorized Signature</b>
Over \$250,000	President
\$10,000- \$249,999	CFO or University Officer responsible of managing the agreement
Less than \$10,000	University Officer responsible of managing the agreement or delegated management group member
Nonmonetary agreements, grants or gifts	President, Provost, CFO or Chief Development Officer (in case of gifts)

### **B. Scope of Executive Action by University Officers.**

The following University officers are authorized by the Board of Trustees to sign contracts pertaining to subject matters within their area of responsibility, oversight and considering the scope of their respective offices, all within the Levels of Authority established in Section A. In the case of contracts involving one or more operational areas, the University Officer responsible managing the contract should be the signatory.

1. *Chief Academic Officer (Provost)*: Agreements regarding University academic matters, including collaboration agreements for teaching-learning experiences for faculty and students, academic affiliations, collaborative agreements, practice-related agreements, faculty contracts and agreements for faculty research and activities.
2. *Chief Communications and Marketing Officer*: Agreements related to the University's marketing, admissions, promotions, public relations and other communications services.
3. *Chief Development Officer*: Agreement regarding University development matters, including gift and donations agreements, contracts for services related to development and alumni programs and activities, and contracts for development consulting services.
4. *Chief Financial Officer (CFO)*: Agreements regarding the financial management of the University, including banking, financial, credit and investment facilities or services, financing agreements, accounting and financial consulting services, debt collection and account management, and student financial aid.
5. *Chief Human Resources and Organizational Development Officer*: Agreements related to the management of human resources and organizational development efforts, including, employment contracts, offers of employment, employment related consulting services, agreements related to employee benefits, including the pension and savings plan, and agreements with employees.
6. *Chief Information Technology Officer*: Agreements related to the University's information technology infrastructure, including contracts for technology and information systems related hardware, consulting services, software, licensing, and systems maintenance.
7. *Chief Operations Officer*: Agreements related to the management and operations of the University facilities, including construction projects, maintenance services, transportation services, campus security services, dining and retail services, and lease or rental of University facilities.
8. *Chief Student Affairs Officer*: Agreements related to the student life and student affairs matters, including student residences, athletic programs, student organizations, student activities and events, and student services managed by Student Affairs Unit.
9. *General Counsel and Chief Compliance Officer*: Agreements related to legal and compliance matters of the University, including institutional accreditation and licensing processes.

### C. Other Specific Contracts

There are other specific type of agreements that due the nature and risk of the transactions involved must be signed by the University officers or the President as follows:

<b>Contract Type</b>	<b>Authorized Signature</b>
Leases and rents of Real Estate Property from Third Parties	President
Sale or Acquisition of the University Real Estate Property and facilities	President
External Audit Services	President and Audit Committee President
Federal Awards Grants and Proposals	President
Government Related	President
Sale of Equipment	Chief Financial Officer or Chief Operations Officer

Any contract type not detailed in this document should be signed and approved by the responsible University Officer. Any contract above the \$250,000 threshold must be signed by the President as established in Section A.

Certain transaction might also require the authorization of the Board of Trustees pursuant to the University's ByLaws such as loan agreements, bond issues, the acquisition or sale of real property, and certain leases of real property.

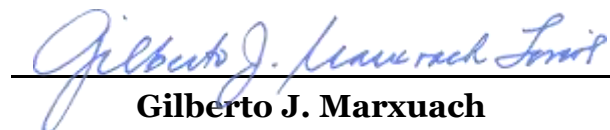
### VIII. Questions About this Policy

Questions regarding the scope and interpretation of this Policy should be directed to the office of Finance at 786.728.1515, ext. 1471.

## **IX. Reporting Violations**

Violations to this Policy should be directed to the office of Compliance, Internal Audit and Institutional Integrity at [cumplimiento@sagrado.edu](mailto:cumplimiento@sagrado.edu). Any violations to this Policy will be addressed in accordance with the University's policies and procedures.

Universidad del Sagrado Corazón reserves the right to interpret this Policy in its administration, implementation, and enforcement. If there is any ambiguity in any provision of this Policy. The University reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact to the University's operations and good faith, unless otherwise provided by law.



**Gilberto J. Marxuach  
Torrós**  
President