



California Health Sciences University

CHSU CONTRACTS NEGOTIATIONS AND SIGNATORY AUTHORITY POLICY

I. PURPOSE AND POLICY STATEMENT

The California Health Sciences University (“CHSU”) has an obligation to be a responsible steward of the resources entrusted to it. Entering into transactions can create legally binding compliance obligations upon CHSU. The purpose of this policy is to outline mandatory requirements, including signatory authority, for all contracts entered on behalf of CHSU.

II. APPLICATION OF POLICY & GENERAL REQUIREMENT FOR CONTRACTS TO BE IN WRITING

This policy applies broadly to all agreements entered on behalf of CHSU (“Contract(s)”). Some contracts may be verbal as a matter of law; however, CHSU requires that all Contracts be reduced to writing signed by an authorized CHSU employee to ensure clarity on CHSU’s rights and obligations under the Contract. Accordingly, the term Contract in this policy is intended to include all documents that bind CHSU, irrespective of whether the agreement creates any financial responsibility on behalf of CHSU or involves the exchange of money or property. This includes, but is not necessarily limited to, the following: enrollment agreements and other contracts with or for students, such as those for student group, community service, volunteer, experiential education or rotation activities, or other student pledges; contracts for employment; memorandums of understanding or letter agreements with local or state governments or with private third parties; leases and/or other agreements for use or rental of real property or event venues; engagements for professional services; assumption of liability or indemnity; and letters of agreement, purchase orders or other arrangements with outside vendors, independent contractors, consultants, affiliated organizations or companies, and/or for the purchase or provision of goods or services. An amendment or modification that creates a substantive change to an existing Contract is to be treated as a new Contract for purposes of this policy.

CHSU employees should be cognizant that Contracts may create compliance obligations, legal risk or practical administrative duties, sometimes unexpectedly, which must be considered during Contract negotiations and when implementing an executed Contract. CHSU provides accounting, legal, insurance/risk management, human resources, and other professionals to support CHSU employees in navigating such matters. CHSU employees should to utilize these professionals to ensure due diligence with respect to negotiating and executing Contracts on CHSU’s behalf.



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III. CONTRACT DRAFTING & TEMPLATE REQUIREMENTS

A. Employment Contracts

Hiring managers may not offer contracts of employment without prior approval from Office of the President, with the exception that pursuant to this policy the dean of each college within CHSU are delegated authority to offer contracts of employment to members of the faculty within their specific college and in accordance with the rules contained in CHSU's applicable faculty policies, including, but not limited to, CHSU's policy on multi-year faculty contracts. The dean of each college shall be permitted to negotiate specific terms with each applicant (e.g., salary, start date, etc.) as permitted by the procedures of the Office of Human Resources. The Office of Human Resources shall provide a form wherein each negotiated offer is internally documented with approval signatures from the hiring manager, the next level supervisor, the Office of Human Resources and Business Office before an offer of employment is extended, either verbally or in writing. The Office of Human Resources shall then prepare the employment contract utilizing a template pre-approved for use by legal counsel. Any modifications to the template beyond inclusion of the standard terms contained in the form provided by the Office of Human Resources must be reviewed by legal counsel in advance of an offer of employment being presented to the applicant. Deans and other hiring managers negotiating contracts of employment should utilize the expertise and experience of the Office of Human Resources throughout the hiring process to ensure compliance with this and other applicable policies and procedures, applicable accreditation standards, and California state and federal employment laws.

B. All Other Contracts

For all Contracts other than for employment, the following procedures are required:

1. **Contract Owner:** Before execution, all Contracts shall be assigned to a CHSU employee ("Owner") who is responsible for ensuring compliance with this policy, as well as other applicable CHSU policies and procedures, and CHSU's compliance with the Contract itself after execution. The Owner shall be designated by: (a) the President for University-level Contracts on non-academic matters; (b) the Provost for University-level Contracts on academic matters; or (c) the dean of each college for Contracts specific to an individual college. The Owner is not necessarily the person with signatory authority but may be.
2. **Business Office Review Requirements:** Before execution, the Chief Financial Officer ("CFO") (or designee) shall review and approve the following: (a) all Contracts for



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- Financial Transactions where the financial transaction is \$5,000.00 or greater; (b) all Contracts for expenditures that are not already contained in the approved annual budget regardless of the value of the financial transaction; (c) all Contracts that require an obligation from CHSU for more than 12 months regardless of the value of the financial transaction; or (d) insurance-related provisions of all Contracts even if the full Contract is not otherwise required to be reviewed by the CFO under this section. If revisions are recommended or required by the CFO, the Owner shall review the recommendations and/or requirements and ensure that all final decisions are approved by the President, Provost, and/or dean of the college(s), as appropriate.
3. **Legal Counsel Review Requirements:** Before execution, all Contracts must utilize a CHSU template pre-approved for use by legal counsel; otherwise, review by legal counsel shall be required prior to execution of the Contract including, but not limited to, for all third-party drafted Contracts or modifications to pre-approved CHSU templates. If revisions are recommended or advice regarding the Contract is provided by legal counsel, the Owner shall review the recommendations/advice and ensure that all business decisions made regarding final contract language are approved by the President, Provost and/or dean of the college(s), as appropriate. The President, the Provost, the dean of each colleges, and the Chief Financial Officer (or each of their designees) may request preparation of a new template for use for ongoing business matters by submitting a request to legal counsel.
 4. **Contract Execution Requirements:** Before execution, the Owner is required to ensure the Contract is executed (i.e., signed) by an authorized CHSU representative in accordance with this policy, as described below, and by an authorized representative of other parties to the Contract.
 5. **Contract Filing Requirements:** After execution, the Owner is required to ensure that a fully executed copy of the contract (i.e., signed by all parties) is housed on CHSU's electronic file management system in a manner in which the Owner, the Owner's immediate supervisor and CFO (or designee) may access them. Additionally, where legal counsel has provided revisions, recommendations or advice regarding a Contract, a fully executed copy shall be emailed to or otherwise filed with legal counsel.

IV. AUTHORITY FOR NEGOTIATION AND SIGNING OF CONTRACTS

The Board of Trustees has delegated to the President of the University broad and full authority for entering into Contracts in order to carry out the day to day business operations, mission and vision



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of CHSU. The President hereby further delegates authority to negotiate and sign Contracts on behalf of CHSU as follows:

A. The Provost

The Provost is delegated authority to negotiate and sign Contracts related to the academic matters impacting University-wide operations, including, but not limited to, vendor agreements for academic technology or resources, University-wide affiliation and articulation agreements, and agreements with accrediting bodies. Additionally, the Provost may negotiate and sign employment agreements with the deans of each of the colleges and for University-wide academic administrator or faculty positions, with prior approval from the Office of the President and the CFO.

The Provost may further delegate to the Provost's designee's narrow authority to negotiate and/or sign specific Contracts, with appropriate oversight from the Provost and in compliance with this policy except employment contracts; the Provost may not delegate authority to sign employment agreements.

B. The Dean of Each College

The Dean of each college within CHSU is delegated authority to sign Contracts related to the academic matters impacting college-specific operations, including, but not limited to, vendor agreements for academic technology or resources, college-specific affiliation and articulation agreements, and agreements with college-specific accrediting bodies. The Dean of each college may also sign employment agreements: (1) for faculty; and (2) for academic administrator positions with prior approval from the Office of the Provost and the CFO.

The Dean of each college may further delegate to the Dean's designees narrow authority to negotiate and/or sign specific Contracts, with appropriate oversight from the Dean and in compliance with this policy except employment contracts; the Dean may not delegate authority to sign any employment agreements.

C. The Chief Financial Officer

The CFO is delegated authority to sign any Contract for goods, services or real property which is necessary for the efficient and appropriate operation of CHSU. Additionally, the CFO is delegated authority to sign any other Contract the President, Provost or Dean of each college may otherwise sign with prior approval from the President, Provost or Dean, as applicable. The CFO may establish internal procedures for the delegation of signatory authority to those reporting to the CFO necessary to allow for the timely execution of Contracts during absences of the CFO; however,



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such delegation shall be narrowly tailored and specific to particular Contracts or business dealings. The CFO shall not delegate authority to sign any employment agreement.

D. Delegations of Signatory Authority to Subordinates

In order to promote efficient operations, the President, Provost, Dean and/or CFO may choose to formalize an ongoing delegation of authority to their employees. Any such ongoing delegation of authority shall be reduced to writing, in consultation with the immediate supervisor, legal counsel and the Office of Human Resources.

The delegation of authority automatically terminates if the authorized delegate either ceases to be employed by CHSU or ceases to hold the position specified in the delegation. Regardless of delegation of signatory authority and notwithstanding this policy, the President and/or the Office of Human Resources may suspend or revoke the signatory authority of any employee if it is in furtherance of the business or academic interests of CHSU.

In all cases, the President, Provost, Dean of each college and CFO are responsible for ensuring any delegation of their own signatory authority to subordinates is provided only to individuals with the necessary skill and experience to evaluate the specific Contract at issue. The person who delegates authority retains responsibility for the actions for the person to whom authority is delegated.

V. CONSEQUENCES FOR NON-COMPLIANCE

Employees negotiating and/or signing Contracts on behalf of CHSU are responsible for ensuring that they have authority to act on behalf of CHSU and that such authority is exercised in compliance with this policy. CHSU employees designated by this policy are authorized to bind CHSU. Any Agreement executed by a person not authorized to do so by this policy is not binding on CHSU. It is impermissible to fragment or split up Contracts or business arrangements in order to circumvent the requirements of this policy. An employee who signs a Contract without authority or inappropriately delegates their own signatory authority, is acting outside the scope of employment, and may be personally liable for any resulting liability or obligation and/or subject to disciplinary action, up to and including termination.



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- Policy Owner: President
- Effective Date: 7/19/2019
- President Approval Date: 7/19/2019
- Provost Approval Date: 7/19/2019