



# Policy on Signature Authority for Contracts

## I. Purpose and Scope

Effective Date: January 24, 2022

This policy establishes who among the College's employees may sign agreements, contracts and other documents (collectively referred to as "Contracts" and defined below) on behalf of Babson College. It applies to all Contracts purporting to bind and/or to be entered on behalf of the College. The Chief Administrative Officer is responsible for the management of this policy in coordination with the appropriate offices and/or departments at the College.

## II. Definitions

For the purposes of this policy,

(a) **Contract** means any agreement, whether labeled as such, between the College and another party (or parties) that creates an obligation on behalf of the College or a third party to the College. The other party may be a person, partnership, limited liability company, corporation or other entity, including an employee of the College. A Contract may or may not involve the payment of money. See the "Additional Information" section below for types of Contracts covered by this policy.

(b) **Signature Authority** means the valid authority to legally bind the College by executing and signing Contracts on behalf of the College. Signature Authority is distinct from spending or budgetary authority. Spending or budgetary authority does not constitute Signature Authority, and Signature Authority does not constitute spending or budgetary authority.

## III. Policy

As stated in the Bylaws of the College, by applicable vote of the Board of Trustees and/or this policy only certain designated College officers may sign Contracts on behalf of Babson College. These individuals are:

- The President
- The Chief Administrative Officer
- The VP of Academic Affairs & Dean of the College

Subject to the Bylaws of the College, this policy and applicable vote of the Board of Trustees, the foregoing officers are authorized to execute a Contract having an initial value not exceeding \$5,000,000 and a term of 6 years or less without the prior, written approval of the Board of Trustees. Any and all Contracts executed under this policy remain subject to all other applicable



requirements, procedures and/or approvals of the College. For example, improvements to and/or construction of campus properties must be approved in accordance with applicable College policies and procedures. In addition, the aforementioned designated College officers may sign or delegate signature authorization only as to the various types of Contracts associated with such designated College officer position description in the Bylaws of the College. For example, the Dean of the College has only the authority to sign (or delegate as appropriate) Contracts arising out of the normal academic and educational operations of the College and the Chief Administrative Officer has only the authority to sign (or delegate as appropriate) Contracts arising out of the normal business operations of the College.

As provided in the Bylaws of the College, by applicable vote of the Board of Trustees and/or this policy, any one of the above-named officers may delegate Signature Authority to another College employee provided that the delegation (i) complies with this policy; (ii) is in writing in the form designated for that purpose and attached hereto as **Exhibit A**; (iii) defines the limitations of the authority; and (iv) is on file with the Office of the Chief Administrative Officer. No designated College officer identified above may delegate authority to sign any Contract having an initial value exceeding \$2,500,000. Except as otherwise provided in the Bylaws of the College, this policy and/or any vote of the Board of Trustees, only appropriately authorized delegates may sign Contracts on behalf of Babson College.

Delegations of Signature Authority are valid for no more than one (1) year or until the person to whom the authority is delegated no longer serves in the capacity or position noted in the delegation, whichever comes first. Delegations may be revoked at any time. No one other than the officers designated above may further delegate Signature Authority. For example, if the Chief Administrative Officer delegates the authority to sign certain construction agreements to the Associate VP of Facilities Management and Construction, the Associate VP of Facilities Management and Construction may not further delegate that authority to any other College employee. All such delegations shall be consistent with the policies and procedures of the College as the same may be amended, revised or replaced from time to time. The officer making the delegation is responsible for managing compliance with that delegation.

Persons serving in an interim position shall automatically assume the Signature Authority granted to that position until the expiration of the assumed delegation. Questions not addressed in the policy regarding the scope of the delegation shall be determined by the officer granting the delegation.

Settlement or compromise agreements involving lawsuits, demands, claims and the like may be signed by the General Counsel. The General Counsel shall consult with the President and/or other appropriate College officials regarding settlement or compromise agreements and obtain their prior approval in accordance with the Massachusetts Supreme Judicial Court Rules of Professional Conduct.

Any Contract not constituting an unaltered, College template contract shall be reviewed by the



Office of General Counsel prior to any execution on behalf of the College.

#### **IV. Additional Information**

College employees, students or other individuals who purport to sign Contracts on behalf of Babson College and who do not hold valid Signature Authority under this policy may be subject to disciplinary action up to and including separation from the College. In addition, individuals who are not authorized to sign Contracts do so at their own risk and may be personally liable under the terms of the document signed and for any resulting legal action that may ensue, including potential civil and/or criminal proceedings as well as costs, expenses and legal fees associated with the document.

Types of documents that may constitute Contracts include, but are not limited to: memoranda of understanding/agreement; cooperation agreements; professional service agreements, service provider agreements, independent contractor agreements, employment agreements; separation agreements; statements of work; purchase orders; purchase agreements; software license agreements; riders or addenda to existing contracts; gift instruments, waivers; non-disclosure agreements; certifications; research agreements; promises to pay; promissory notes; settlement agreements; affiliation agreements; material transfer agreements; business agreements; construction agreements; investment agreements; leases; license agreements; and vendor agreements.

Verification of Signature Authority can be obtained from the Office of the Chief Administrative Officer.

#### **V. Contact Information**

Office of the Chief Administrative Officer



**EXHIBIT A**

**Signature Authorization Delegation for [Title of Position]**

**Effective: [July 1,] 20 \_\_ - [June 30,] 20 \_\_**

Pursuant to Section 2.3 and Section [5.5(c)(3)] [5.5(d)] [5.5(e)] of the Bylaws and applicable resolution of the Board of Trustees of Babson College, I [Name and Title of Delegator] hereby designates and authorizes [Name and Title of Delegate] to sign on behalf of Babson College all contracts, agreements and documents relating to

[Role, office, function or, if needed, type of Agreement e.g, academic, athletic, facilities/construction, employment-related agreements, sponsored research related agreements, or information systems/technology. Include any limitations here e.g., dollar limits. The delegation period cannot extend past June 30 of the applicable fiscal year and, must be, if at all, re-awarded each fiscal year. The delegator should consider whether the particular delegate should be a default delegate for all contracts under delegator’s authority e.g., Controller for any non-academic agreement, which delegation may not exceed the \$2,500,000 maximum].

This signature authorization shall be exercised by the above-named person only in conformity with all applicable policies and procedures of the College. All agreements and other contracts must be reviewed and executed prior to the commencement of the scope of work, absent approval from the authorized personnel. Any Contract not constituting an unaltered, College template Agreement shall be reviewed by the Office of General Counsel prior to its execution on behalf of the College.

[The substantive terms of any offer of full-time, permanent employment shall be reviewed and approved by the undersigned prior to the proffer of employment.] [This delegation of authority is limited solely to the execution of employment offer letters and does not convey the authority to approve such positions.]

College employees who purport to sign contracts, agreements and documents on behalf of Babson College and who are not authorized to do so by this delegation may be subject to disciplinary action up to and including separation from the College. In addition, employees who are not authorized to sign contracts, agreements and documents do so at their own risk and may be personally liable under the terms of the document signed and for any resulting legal action that may ensue, including potential civil and/or criminal proceedings as well as costs, expenses and legal fees associated with the document

This delegation shall be sent to and maintained by the Office of the Chief Administrative Officer.

Date: \_\_\_\_\_

[President/Dean of the College/CAO]

Cc: [Name of Delegate]