

EXECUTION OF DOCUMENTS POLICY

SECTION 11 of University Financial Policies

By resolution adopted on February 6, 2013, pursuant to the Amended and Restated Bylaws of Pepperdine University, the Board of Regents has approved this Execution of Documents Policy. As used in this Policy, the phrase "execution of documents" includes the authorization to expend University funds and bind the corporation.

11.1 AUTHORIZATION TO EXECUTE DOCUMENTS

Any two of the chair, vice chair, secretary and assistant secretary of the Board of Regents may execute any document on behalf of the University.

A. TRANSACTIONS FOR \$2 MILLION OR LESS

1. Any two of the following officers (hereinafter "Authorized Officers") may execute any document for \$2,000,000 or less:
 - a. President
 - b. Chancellor
 - c. Provost
 - d. Executive Vice President
 - e. Senior Vice President and Chief Investment Officer
 - f. Chief Information Officer
 - g. Senior Vice President for Advancement and Public Affairs
 - h. Vice President for Administration
 - i. Chief Business Officer
 - j. Vice President and Chief Financial Officer
 - k. Chief of Staff, President's Office
 - l. Controller
 - m. Associate Vice President for Campus Operations and Business Services

- n. Vice Provost for Research and Strategic Initiatives
 - o. Vice President for Public Affairs and Church Relations
 - p. Executive Director of Real Estate*
- * Limited to contracts for purchase and sale of real estate and related costs and expenses

2. The President, acting alone, may execute any document for \$100,000 or less.
3. Any one of the Authorized Officers, acting alone, may execute any document for \$50,000 or less. As to construction matters this authorization shall extend to the Associate Vice President for Construction.
4. The Executive Vice President or the Chief Financial Officer may approve the delegation to execute documents to any officer or employee of the University in amounts of \$25,000 or less.

B. TRANSACTIONS IN EXCESS OF \$2 MILLION

Any two Authorized Officers, defined in 11.1.A.1, may execute documents in excess of \$2 million as described below:

1. Transactions specifically authorized by the Board of Regents or which are necessary or appropriate to complete such transactions;
2. Current and planned gift agreements which have been approved by the University Gift Review Committee, (If the Gift Review Committee deems the agreement to present extraordinary risk or exposure to the University, it will require approval by the Board of Regents or a committee thereof.); or
3. Debt repayments, draw-downs on lines-of-credit, fund transfers, surety bonds, and similar documents.

C. ROUTINE AND RECURRING TRANSACTIONS

1. Any one of the following individuals, acting alone, may execute documents for any amount for purposes described in 11.1.C.2, provided the expenditure is routine, recurring, and part of the operating budget:

- a. President
- b. Executive Vice President
- c. Senior Vice President and Chief Investment Officer
- d. Vice President and Chief Financial Officer
- e. Controller
- f. Director of Payroll
- g. Payroll Manager
- h. Accounts Payable Manager
- i. Associate Vice President, Human Resources, Insurance and Risk
- j. Senior Associate Director, Human Resources.

2. Purposes for which routine and recurring expenditures can be made pursuant to 11.1.C.1:

- a. Dental Insurance
- b. FICA Tax
- c. Flexible Spending Accounts
- d. Income Tax Withholding
- e. Life and AD&D Employee Assistance Plan
- f. Long Term Disability
- g. Medical Insurance
- h. Pension Plans
- i. Payroll Deductions
- j. State Disability Insurance
- k. Tax Levies
- l. Unemployment Insurance
- m. Utilities
- n. Wage Garnishments
- o. Worker Compensation.

D. INVESTMENTS AND BANKING

Any two Authorized Officers, defined in 11.1.A.1, may execute any and all documents to effect transactions described below:

1. Investment transactions that involve the commitment to purchase, transfer, convert, borrow, lend, endorse, sell, assign, set over, and deliver any security or investment asset (including but not limited to cash, cash like securities, shares of stock, partnership interests, real estate interests, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness, or swaps) now or hereafter standing in the name of, or owned by, the University, or any other asset received as a gift or held for investment purposes.
2. The opening of bank, asset, security, escrow and custodial accounts, and other accounts to hold assets or securities of a nature contemplated by 11.1.D.1. For transactions described in 11.1.D.1 and 11.1.D.2, the Directors of Investments are considered Authorized Officers in addition to those listed in 11.1.A.1.

E. LIMITATIONS ON AUTHORITY

1. Each person's authority shall cease upon termination of employment in the position for which the authority to execute documents was delegated. Said authority shall automatically be conferred on subsequent holders of the Authorized Officers' positions and the positions listed in 11.1.C.2.

Such authority shall also continue for changes of title without substantial changes in duties.

2. Except for the second required signature for transactions over \$50,000, and except in circumstances when the person with direct administrative and budgetary responsibility is unavailable to do so, all transactions should be authorized by the person responsible for the budget or account where the expenditure will be charged.
3. So that those responsible for the University's finance operations are aware of significant transactions, it is preferred that the second signature on expenditures in excess of \$50,000 be that of the Executive Vice President, the Chief Financial Officer, or the Controller. Unless specifically authorized by the Board of Regents or in this Policy, no officer, agent or employee of the University shall have any power or authority to bind the University by any contract or engagement or to pledge its credit, to draw checks or orders for the payment of money, or otherwise to render it liable for any purpose for any amount.

11.2 REPORTING

- A. Each quarter, a written report shall be submitted to the Board of Regents briefly describing each transaction (1) involving a sum of \$200,000 or more entered into pursuant to the authorization described above, and (2) effected pursuant to Section 11.1.D.2. Such reporting to the Board shall not include recurring expenses, such as utility, employment tax, employee

benefit, or lease payments; contracts for services; or expenditures that have been specifically authorized by the Board of Regents.

- B. The sum involved in any transaction shall be the amount of the obligation of the University created by the execution of a contract, without regard to any portion of such obligation which could be avoided by the exercise of any right given to the University, in its discretion, to rescind, terminate or modify such contract. The determination of the sum involved in a transaction shall be made in good faith, and the foregoing limitation shall not be avoided by dividing any transaction into a series of related transactions each involving a smaller sum.