

PEPPERDINE

Office of the General Counsel

Inter-Office Memorandum

To: PeopleSoft Requestors and
Approvers
Date: September 21, 2018
Re: Contracting on Behalf of the University

From: Marc P. Goodman
General Counsel
CC:

CONFIDENTIAL AND ATTORNEY-CLIENT PRIVILEGED

The purpose of this memorandum is to remind the University community about the policy regarding entering into contracts on behalf of the University. The steps outlined below for review of contracts must be completed *before* the contract is entered into the PeopleSoft process for requisition and approval for payment.

The University policy is for the General Counsel's Office to review contracts that: (1) are worth \$75,000 or more, or (2) present a high risk to the University. Examples of high risk include constructing a skateboard ramp in Alumni Park, sharing personally identifiable information, entering into long-term obligations, and co-branding with others. Goods, services, furniture, and speaker contracts involving amounts less than \$75,000 will generally be documented using the appropriate University purchase order forms generated by the Purchasing Department.

Please follow the protocol below with regard to all contracts, leases, agreements, amendments, memoranda of understanding, releases, satisfactions, acceptance of bids, letters of intent or understanding, tuition reimbursements (all of which are synonyms for a "contract"), and all similar legal documents which are intended to obligate the University for payments or services. This protocol should be communicated to all persons under your supervision who engage in contract negotiation, execution, or performance. Thank you.

Contracting Protocol

1. **Express Authority.** Contracts may be executed only by University officers, agents, or employees, who are authorized to do so under the Execution of Documents Policy adopted by the Board of Regents.
2. **Delegated Authority.** University employees may engage in the negotiation of any contract only after obtaining the express approval of a University officer, agent, or employee who is authorized under the University's Execution of Documents Policy.¹ Under no circumstances should any employee give verbal or written assurances or commitments on behalf of the University without being so authorized.
3. **Written Final Approval Required.** All employees negotiating contracts on behalf of the University shall inform the other party that no terms are final until approved in writing by a University officer, agent, or employee who is authorized under the Execution of Documents Policy.
4. **Written Contract Required For Contracts over \$74,999.** Except in emergencies, *no* University employee shall obligate the University, authorize the delivery of goods,

¹ A copy of the Summary of Execution of Documents Policy is attached to this memorandum.

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or authorize the initiation of services for an amount in excess of \$74,999 without a written contract approved under this protocol.

5. **General Counsel Review.** All contracts to be executed by the University (1) for an amount in excess of \$74,999, or (2) that present a high risk, shall be submitted to the General Counsel for review prior to finalization of negotiations. Contracts shall be submitted to the General Counsel sufficiently in advance of any deadline for execution to allow for such further contract negotiations and modifications as the General Counsel shall recommend.
6. **Contract Questions.** All questions regarding whether a contract is necessary or the type of contract that is best should be directed to the Office of the General Counsel.

SUMMARY OF EXECUTION OF DOCUMENTS POLICY*

| Amount of Transaction | Authorized Person |
|------------------------|--|
| | |
| \$0 - \$25,000 | Designated PeopleSoft “Approvers” |
| \$25,001 - \$50,000 | Any “Authorized Officer” acting alone♦ |
| \$50,001 - \$2,000,000 | Any two “Authorized Officers.” It is preferred that one of the two authorized persons be either the Executive Vice President, the Chief Financial Officer or Controller. <i>See</i> Execution of Documents Policy section 11.1(A)(1). |
| \$2,000,001 or more | <i>See</i> Execution of Documents Policy, Section 11.1(B) |
| Recurring Transactions | <i>See</i> Execution of Documents Policy, Section 11.1(C) |

♦ “Authorized Officers” are the:

- a. President
- b. Chancellor
- c. Provost
- d. Executive Vice President
- e. Senior Vice President and Chief Investment Officer
- f. Senior Vice President for Strategic Implementation
- g. Senior Vice President for Advancement
- h. Chief Operating Officer
- i. Vice President and Chief Business Officer
- j. Chief Financial Officer
- k. Vice President and Chief of Staff, President’s Office
- l. Vice President of Campus Operations and Human Resources
- m. Chief Information Officer
- n. Controller
- o. Director of Athletics
- p. Associate Vice President for Administration
- q. Vice Provost
- r. Vice President for Public Affairs and Church Relations
- s. Executive Director of Real Estate* (limited to contracts for purchase and sale of real estate and related costs and expenses)

*Execution of Documents Policy as of March 2020.