Contracting Authority (Non-employment Related)

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Contact: Office of University Counsel

Introduction

In order to assure compliance with law and with policies of the Board of Regents, State of Iowa, and to manage risks associated with binding commitments, contracts and agreements should be signed by persons who have the appropriate expertise, or who can assure that the appropriate review of such documents occurs.

The Board of Regents has delegated authority for most transactions to specific university officials, while retaining authority over a limited number of transactions. This policy is intended to assure that university commitments through contracts and agreements are properly executed. This policy is applicable to all contracts other than employment agreements. For hiring authority, see Resources (below).

Authority retained by Board of Regents

The Board of Regents has retained authority over the following transactions as provided in the Regents Policy Manual (RPM) and Iowa Administrative Code (IAC):

- Real estate purchases, sales, security interests and easements (except for disposal of buildings of a value of less than $10,000) (RPM §9.02)
- All land leases (except farm leases) and all other real property leases (including farm leases) with any of the following terms: 10,000 gross square feet or more, for an annual rental cost of $100,000 or more, for a period of greater than five years (including all renewal periods) or which include an option or right of first refusal to purchase (RPM §9.02(E))
- Legal advice or representation, bond counsel or bond-related financial advisors (IAC §681-8.2(3); IAC §681-8.8; and RPM §3.03(L))
- Contracts for construction of capital improvements projects with an estimated cost of $250,000 or more, unless the Board of Regents has approved the budget of a capital improvement project with an estimated cost of between $250,000 and $999,999 (RPM §9.07(B) and §9.09(A))
- Contracts for architectural, engineering, construction management, and other design professional and consulting services on capital improvement projects with budgets of $1,000,000 or more (RPM §9.08(B))
- Feasibility study agreements for capital improvement projects if the costs of the study is expected to be $50,000 or more (RPM §9.10(C))
- Contracts for fire protection services (RPM §7.08(G)(2))
- Moveable and fixed equipment with a unit cost of $250,000 or more, or of an aggregate cost of $500,000 or more (RPM §7.06(B)(12)(b))

Authority delegated by Board of Regents

Except as limited above, the Board of Regents has delegated authority for other transactions as provided in the Regents Policy Manual and Iowa Administrative Code §681-8 and §681-13.8 as follows:

- President – General authority
- Senior Vice President for Business and Finance – General authority except for
  - Applications, proposals, grants, contracts and agreements relating to economic development, research and sponsored projects and for
  - Contracts and agreements relating to educational consortia, joint educational projects, cooperative education, service learning, internship opportunities and academic instruction provided by others
- Senior Vice President and Provost –
  - Applications, proposals, grants, contracts and agreements relating to economic development, research and sponsored projects, and
  - Contracts and agreements relating to educational consortia, joint educational projects, cooperative education, service learning, internship opportunities and academic instruction provided by others
• Vice President for Research –
  • Applications, proposals, grants, contracts and agreements relating to economic development, research and
    sponsored projects

• Director of the Office of Sponsored Programs Administration –
  • Applications, proposals, grants, contracts and agreements relating to economic development, research and
    sponsored projects

Policy Statement

Review
Contracts requiring Board of Regents approval (see above) must be reviewed by the Senior Vice President for Business and
Finance (or by University Counsel in the case of contracts for legal advice or representation) for presentation to the Board of
Regents for approval.

Further delegation
When the Board of Regents has delegated authority to the university or to university officials, the official with authority may
delegate some or all of the authority vested in that official, including authority to re-delegate, by a memorandum of delegation
approved by the Office of University Counsel. In addition, delegation may occur by adoption of a university policy granting
contracting authority.

Documentation of delegation
Memoranda of delegation must be filed with the Office of University Counsel and the Assistant Vice President for Business
Services. The Office of University Counsel is responsible for the retention of memoranda of delegation.

Authority of managers of fee-for-service units
Approval to conduct activity as a fee-for-service unit with entities outside of the university constitutes a delegation of authority
for the manager of the service center to enter into agreements for providing the approved services. For purposes of this
policy, a "fee-for-service unit" is any unit that provides, for a fee, goods and/or services to individuals, businesses or other
entities outside the university.

Resources

Links
• Contracting at ISU; Contract Assistance (Office of University Counsel)
• Contract Delegations Website
• Purchasing Department Policies and Procedures
• Signature Authority for Internal Transactions
• Fee-For-Service Operations
• Hiring Authority
• Iowa Administrative Code (IAC) §681-13.8 Contracting Authority
• Iowa Code §§262.9, 262.10, 262.32
• Regents Policy Manual (RPM) Chapters 7 and 9