



## **Procurement Signing Authority Policy for Goods and Services**

Dated: June 17, 2015

Supersedes: None

### **Overview:**

The purpose of this policy is to ensure that appropriate fiscal and managerial controls are in place to protect the New York Medical College (“NYMC”) from inappropriate obligations by unauthorized individuals or excessive financial expenditure. It is intended to define authority and appropriate delegation of authority for the purchase of goods and services. All other contracts are governed by the NYMC *Policy on Execution of Contracts for Employment Matters* or the NYMC *Policy on Execution of Contracts for Real Estate, Investments, Sponsored Research, Academic Agreements and Other Agreements*.

To minimize financial, legal and related risks to NYMC requires the proper delegation of authority to execute contracts relating to the purchase of goods and services

### **I. Introduction**

Individuals do not have the authority to enter into negotiations or approve or sign contracts with external entities on behalf of NYMC unless there is at least one of the following conditions in force:

- (1) Authority as set forth in the Bylaws of NYMC;
- (2) A resolution of the Board of Trustees;
- (3) A valid delegation of authority.

Although delegations of authority are essential to efficient and effective management, all delegating officials shall retain overall responsibility for actions taken in all matters by personnel under their supervision or to whom a delegation has been made.

### **II. Definitions**

New York Medical College “NYMC”: Signature Authority: The power to bind NYMC to a legal or financial agreement.

Delegation: the deputation of an individual by a supervisor or peer with power to bind NYMC to a legal or financial action with an external entity

Commitment Authority: The power to legally bind NYMC to a legal action with an external entity through verbal, written or electronic means regardless of financial considerations.

“Contract(s)” *–shall mean and include–* a legally enforceable written instrument for goods and services between NYMC and an NYMC affiliate or one or more other parties, which impose rights, duties, obligations, or conditions, upon NYMC, or creates, modifies, or terminates a relationship. This legally enforceable instrument may take the form of a written agreement, contract, lease of equipment or purchase order (for the purpose of this Policy, letters of intent whether or not legally enforceable, are treated as contracts). A master lease for equipment, electronic storage or software shall be subject to this policy but adding schedules to a master lease shall be subject to only payment approval. Documents either on paper or in electronic format including those which are executed with either ink signatures on paper or secure electronic signatures.

Oral Agreements: Verbal agreement to bind all or part of NYMC to a legal or financial accord.  
[Not permitted]

Non-documented electronic agreement: Using email, social media or text messages to bind all or part of NYMC to a legal or financial accord [Not permitted]

Officer(s) and Senior Administrator(s) *–shall mean and include* the President, Chancellor/CEO, Dean(s), Vice President(s) and General Counsel of NYMC.

NYMC Administrator(s) *–shall mean and include–* Director(s) of NYMC

NYMC Worker(s) *–shall mean and include–* all full and part-time employees, staff members, faculty, professors and instructors, and instructors, agents and student employees.

NYMC Third-Party(ies) *–shall mean and include–* all individuals or entities that NYMC enters into agreement to do work or conduct service on its behalf, including but not limited to, consultants, vendors, contractors, and subcontractors.

### **III. Applicability and Scope**

This policy applies to all employees (i.e., faculty, staff,) whether full-time or part-time. Independent contractors and consultants or any other third party do not have the authority to bind NYMC.

Oral and Non-documented binding agreements are not permitted regardless of whether there is an expectancy of monetary exchange. This policy is not intended to govern human resource activities such as hiring faculty or staff, time reporting and evaluations.

Additional policies and additional approvals will apply to the following arrangements: affiliation agreements, clinical training and placement agreements, articulation and other academic agreements, matters pertaining to investments and endowment, including the contracts related to hiring and terminating external investment managers; real estate acquisitions and/or leasing of property; grants, contracts and other agreement with terms and conditions for research, sponsored training, clinical trials, confidentiality and material transfer agreements, patents and licensing, technology transfer, and research compliance.

#### **IV. Unauthorized Commitments or Agreements**

Unauthorized individuals who approve binding agreements are subject to disciplinary action.

#### **V. Transactions**

All transactions described by this policy which bind NYMC require signature authority as set forth in this policy and summarized in the attached table. Please note that additional approvals may be required.

**Contractual Monetary Limits.** All monetary commitments are governed by the Financial Signature Authority Levels listed below. No individual can exceed the limits listed under any circumstance.

Dividing contracts or purchases into multiple parts in order to circumvent this policy is unacceptable. Any of these divided contracts or purchase requests should not be approved. Individuals attempting this process of divided contracts or purchases will be subject to disciplinary action up to and including dismissal.

**Procurement of Goods and Services.** All commitment authority actions are subject to this policy.

**Software Licenses/Technology.** All acquisitions and/or leasing of technology, whether NYMC is a lessee or lessor are governed by the terms of this policy.

**Legal Review.** Any contract subject to this Policy that either (1) has rights to commitments extending for more than one year; (2) obligates NYMC to defend, indemnify or hold harmless the other party(ies); (3) seeks to limit the amount of types of liability of the other contracting party, its subcontractors, agents, or successors; (4) contains choice of forum or alternative dispute resolution terms, (5) contains confidentiality or non-disclosure obligations, or (5) exceeds \$5,000 must be reviewed by the Office of the General Counsel prior to approval and signature

#### **VI. Delegation Responsibilities and Delegation Policy**

##### **General**

The President, the Chancellor/CEO, Deans and Vice Presidents are authorized to execute certain agreements on behalf of the NYMC. Senior management is also authorized to delegate signature authority to subordinates or peers following the requirements set forth in this policy in writing, with a copy of such authority presented to the Office of Purchasing. The person to whom authority is delegated has the responsibility to ensure adherence to applicable policies, verify the availability of funds within the approved annual budget of NYMC and obtain legal and/or risk management review where required, secure all necessary signatures and oversee proper performance of all contract commitments., Even if signature authority is delegated, the ultimate responsibility shall remain with the delegating individual.

## **Unclear Delegations**

In cases where the authority to bind the institution or delegate authority may be unclear, an individual should seek specific guidance from his or her immediate supervisor and request delegated authority in writing in advance of executing any contract or entering into any agreement. Any contract executed without properly delegated authority may be null and void when signed.

## **Procedure for Proper Delegation of Authority**

The procedures for proper delegations of authority are:

- a. All delegations of authority must be in writing. Requirements are defined in section c below.
- b. Delegations must be to positions, not to individuals. The authority associated with an appointment may not be exercised by an individual prior or subsequent to the effective dates of employment and/or appointment.
- c. The delegation must include:
  - (1) Specification of the scope, terms and limitations of the delegation;
  - (2) Contract or types of contracts the delegate is authorized to sign;
  - (3) Extent of monetary authority;
  - (4) Duration of the delegation not to exceed the maximum limit as provided within this policy
- d. A delegating individual may revoke or modify the authority of the delegate.
- e. A copy of the written delegation must be transmitted within three (3) calendar days to the Office of the General Counsel and the Vice President for Financial Operations. A copy must also be maintained in the office of both the delegator and the delegate.
- f. All delegations of signature authority governed by this policy are considered in effect for a period of no more than one year, and may be terminated at any time by the delegator (in consultation with any additional required delegator). Upon the expiration of this authority, an appropriate individual must reauthorize the delegation in keeping with this policy.
- g. As a matter of sound governance, any senior administrative leadership change (to include an interim/acting leadership appointment) should precipitate a review of all existing authority and delegations of authority to determine whether existing authority should continue in force under the new leadership.

- h. At the beginning of each fiscal year all NYMC officers should review the written delegations governing their areas to ensure that such delegations are current, accurate, and consistent with this policy, the needs of the institution and its various units.
- i. Only one level of delegation is permitted. Once the signatory authority has been delegated, no further sub-delegation is permitted under any circumstance.

If the President is unavailable in a timely way to sign a Contract that no other NYMC Officer has the authority to sign, the Contract may be signed and deemed validly executed with the signatures of the Chancellor/CEO and one of the following: the Vice President of Financial Operations or Vice President of Operations.

<b>Financial Signature Authority Levels</b>	
\$1,500,000 and above	Board of Trustees
\$1,499,999.99 and below	President
\$99,999.99 and below	Chancellor/Chief Executive Officer CFO
\$5,000-49,999.99	Dean, Vice President
\$0-24,999.99	PI
\$1,000-4,999.99	Senior Associate Dean, Director
\$0-999.99	Department Head, Department Chair

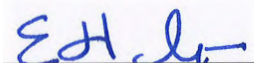
**VII. EFFECTIVE DATE**

This Policy shall be effective as of January 1, 2016.

**VIII. POLICY MANAGEMENT**

Responsible Officers: Vice President for Financial Operations  
 Responsible Executives:  
 Responsible Offices:

**APPROVED:**

  
 \_\_\_\_\_  
 Edward C. Halperin, M.D., M.A.  
 Chancellor for Health Affairs/CEO

6.17.15  
 \_\_\_\_\_  
 Date

**SAMPLE DELEGATION OF AUTHORITY LETTER**

To Whom It May Concern:

By means of this letter, I, [name and title], acknowledging that the ultimate responsibility for the delegation as set forth herein remains with me, hereby delegate the authority herein described to the [position title], on the following terms and conditions:

- I. The [title] may review and execute, on my behalf, contracts in an amount and duration not to exceed [dollar limit] and [period of time].
- II. The contracts subject to this delegation are those relating to [describe nature of contracts].
- III. The effective date of this delegation is [specify] and shall run [indicate time limit if any; if none, indicate that it shall run for the shorter of one year or until revoked by delegating official or his/her successor].
- IV. The authority delegated is not subject to sub-delegation.
- V. In cases of extreme emergency where I cannot be reached (not any of my direct superiors who have authority) and a contact or agreement that is not otherwise delegated herein must be executed to protect the interests of the institution, the [title] may execute such agreements or contracts.
- VI. This delegation is made pursuant to the NYMC Signatory Authority Policy and is subject thereto.

[Signature]

\_\_\_\_\_  
Name and Title [delegating official]

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

Acknowledged and agreed:

[Signature]

\_\_\_\_\_  
Name and Title [delegate]

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

cc: File [delegating official]  
General Counsel [copy to be transmitted within three calendar days of execution]