

MEMORANDUM

TO: Deans, Directors, Department Heads

FROM: Eileen Goldgeier
Vice Chancellor and General Counsel

DATE: August 31, 2010

RE: Authority to Sign University Contracts

University contracts may only be signed by *authorized employees*. Signature authority is derived solely from the chancellor by delegation or sub-delegation from an executive officer. The delegations are set forth in REG01.20.2 - Delegation of Authority to Sign Contracts located at:

http://www.ncsu.edu/policies/governance_admin/delegation_authority/REG01.20.2.php. For your convenience, the Office of General Counsel ("OGC") has created a chart to easily identify types of contracts and corresponding signature authority located at:

http://www.ncsu.edu/general_counsel/legal_topics/contracts_purch/DelegationofSignatureAuthorityChart.php A contract may be titled an "agreement," a "memorandum of understanding," a "memorandum of agreement," a "license," or a "contract." A contract does not have to involve money to create a legally binding obligation on the part of the university (e.g. internship agreement, affiliation agreement, confidentiality or nondisclosure agreement) but may involve other forms of valuable consideration.

Anyone who has not received signature delegation and who signs a contract that obligates the university or one of its divisions, colleges, departments, centers, institutes or programs is acting without authority and may be held personally liable for any breach of the contract or the value of the contract and may be subject to disciplinary action. N.C.G.S. §143-58 and REG01.20.2 (section 2.2).

There are certain clauses that the university is prohibited from entering into as an agency of the State of North Carolina. These include, but are not limited to, agreeing to be bound by the laws of another state and indemnifying a third party. Prohibited contract clauses are described at this link:

http://www.ncsu.edu/general_counsel/legal_topics/contracts_purch/checklist.php. The OGC can assist in negotiating contract clauses with third parties if you should reach an impasse over a contract clause.

In order to enhance business efficiencies, the OGC has developed numerous standard, template agreements that can be used by those with delegated signature authority. More information about contracts can be found at this link:

http://www.ncsu.edu/general_counsel/legal_topics/contracts_purch/.

The OGC is offering contract review workshops for those with delegated signature authority to learn how to do business in a legally compliant manner, including alternative solutions for negotiating with vendors or other third parties. The workshops are 45 minutes in length and will be held on Thursday, September 23 at 11:00 a.m. and Friday, September 24 at 1:15 p.m. in Room 305 of Holladay Hall. To register for one of the workshops, please call 515-3071 or email denise_hall@ncsu.edu. Space is limited.