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[Home](#) > APS 2005 - Contracting Authority

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## **APS 2005 - Contracting Authority**

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### **Policy Profile**

<b>Policy Title:</b>	Contracting Authority
<b>APS Number:</b>	2005
<b>Effective:</b>	July 1, 2009 (Non-substantive edits made September 1, 2012) <sup>1</sup>
<b>Approved by:</b>	Vice President and Chief Financial Officer
<b>Responsible University Officer:</b>	Vice President and Chief Financial Officer
<b>Responsible Office:</b>	Office of the University Controller  The appropriate campus Controller, who will consult with the University Controller as appropriate, will respond to questions and provide guidance regarding interpretation of this policy. The Chief Procurement Officer will provide guidance regarding expenditure contracts for goods and services. Any exceptions to this policy must be approved by the University Controller.
<b>Policy Contact:</b>	
<b>Supersedes:</b>	See history.
<b>Last Reviewed/Updated:</b>	July 1, 2009 (Non-substantive edits made September 1, 2012)
<b>Applies to:</b>	All campuses

### **Policy Snapshot**

Brief Description: Sets forth the contracting authority of the University of Colorado and University requirements for the execution, approval, and monitoring of various types of contracts.

## I. Introduction

This Administrative Policy Statement sets forth the contracting authority of the University of Colorado. This policy statement applies whenever the University is party to a contract, and the provisions and routing described below apply to each individual type of contract. (Note that a contract may be referred to as an Agreement, Grant, Lease, or Memorandum of Understanding. Types of contracts include, but are not limited to: Affiliation, Barter/Trade, Combination [Multi-Purpose], Sponsored Project Agreement, and Sponsorship.)

The requirements herein must be followed by employees and affiliate fiscal staff and are applicable to all university funds and university resources, including those associated with recognized student organizations.

## II. Policy Statement

For all university contracts, certain conditions and requirements apply. These are necessary to appropriately accomplish the contract's designated business purpose while mitigating associated risks to the University. They cover the following areas:

- Contract Authority, Delegation, and Limits
- Contract Execution and Monitoring

### A. Contract Authority, Delegation, and Limit

An individual's authority to execute a contract on behalf of the University is only acquired through written delegation except that persons holding the positions described below have automatic delegation by virtue of their position. A person's authority to execute a contract on behalf of the University must be confirmed in advance. Delegation ultimately comes from the President, via Regent Law, and is restricted as follows:

#### **The *President* has the authority to execute:**

- Contracts involving non-real property over \$5,000,000.
- Contracts involving purchase/capital construction or lease of real property over \$5,000,000.
- Contracts involving university-wide affiliations or operational agreements.

**The Treasurer has the authority to execute:**

- Contracts involving financing arrangements of any type.
- Contracts related to the use of facilities ? or revenues associated with facilities ? financed with tax-exempt debt.
- Contracts where a third party is handling university funds as an agent of the University.
- Contracts involving foreign vendors where foreign currency may be involved.

**The Chancellor or Vice President, as appropriate, has the authority to execute:**

- Contracts involving purchase/capital construction or lease of real property up to and including \$5,000,000.

**The Chancellor has the authority to execute/issue:**

- Contracts involving campus-wide affiliations or operational agreements.

**The Chief Procurement Officer has the authority to execute:**

- Contracts and purchase orders involving non-real property up to and including \$5,000,000.

All other delegation agreements must be made in writing. Delegation must occur before it is exercised and record retention practices must support the provision of written documentation regarding all delegations, except as described above for delegation by virtue of position held. A written delegation is required even for those persons with authority by virtue of position if the person wishes to have the authority to sub-delegate their contract signature authority.

All delegations of contract signature authority that were already in place as of the effective date of this APS and at the previous maximum of \$1,000,000, shall continue in effect and are automatically amended to include the higher dollar limits described above for contracts entered into after the effective date of this APS.

NOTE: The authority to sign contracts is not the same as the authority to select vendors through the University of Colorado Procurement Rules. That authority resides solely with the Chief Procurement Officer.

**B. Contract Execution and Monitoring**

Contract form, content, and monitoring must comply with University of Colorado Fiscal Procedures.

The contract execution process must include business review to determine appropriateness. In addition, the following special reviews may be determined to be necessary (this is not an all-inclusive list):

- University Counsel
- University Treasurer

- University Controller
- University Tax Manager
- University Risk Management
- Procurement Service Center
- Sponsored Projects
- Privacy Officer

Each campus must have a method to identify the specific authority required for a given contract and to define the extent of delegation possible for each type of contract used by the University.

If the designated individual is not available to sign a contract for one campus, then the individual with the same authority at University of Colorado System may sign in her/his place.

### **III. Procedures, Forms, Guidelines and Resources**

#### **A. Related Administrative Policy Statements (APS) and Other Policies**

- Regent Law 3
- APS Capital Construction Planning and Projects
- APS Retention of University Records
- University of Colorado Procurement Rules
- University of Colorado Fiscal Procedures

#### **B. Resources**

- Educational resources including guides, training notifications, and newsletters are announced and available on the Office of University Controller (OUC) and Procurement Service Center (PSC) websites.

### **IV. Definitions**

*Italicized terms* used in this Administrative Policy Statement are defined in the Policy Glossary.

### **V. History**

Revised: July 1, 2009

- Non substantive edits made September 1, 2012<sup>2</sup>

Supersedes:

- Administrative Policy Statement Contracting Authority dated 2/19/2001
- Administrative Policy Statement Delegation of Authority to Chancellors to Execute Certain Contracts dated 2/1/2008
- Administrative Policy Statement Requirement for Prior Approval of Professional Services Contracts dated 10/7/1986

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1. Technical clarifications made in September 1, 2012 are to ensure consistency with the April 2012 revisions to the APS Capital Construction Planning and Projects; to update references to State Fiscal Rules (now University Fiscal Procedures); and to add *capital construction* after *purchase* so as to clarify that the term purchase includes capital construction.

2. Technical clarifications we made in September 1, 2012 to ensure consistency with the April 2012 revisions to the APS Capital Construction Planning and Projects; update references to State Fiscal Rules (now University Fiscal Procedures); and adds *capital construction* after *purchase* to clarify that the term purchase includes capital construction.

**Groups audience:**

Office of Policy and Efficiency (OPE)

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