

Montclair State University

Signing Authority Policy

Approving Authority: Board of Trustees
Responsible Officer: Vice President for Finance & Treasury
Policy Contact: Vice President for Finance & Treasury

Effective Date: 12/13/2019
Revision Date: 12/16/2025

I. Policy Statement/Scope/Rationale

This policy establishes guidelines for Approval Authority for the following University commitments and transactions:

- Execution of contracts or other agreements that bind the University;
- Requisitions and approvals to expend budgeted resources; and
- Disbursements of funds to outside parties, by check, electronic funds transfer, wire transfer, etc. (sometimes referred to as *check signing authority*). The purpose of this policy is to ensure that:
- Approval Authorities are clearly assigned and properly approved;
- Responsibilities and duties of those with Approval Authority are clearly communicated and understood;
- Transactions and commitments are only entered into with proper approvals; and
- University business is conducted in a manner consistent with standards of financial accountability and control of public funds entrusted to Montclair State University in accordance with all applicable laws, regulations, and policies.

This policy applies to all contracts, commitments or other obligations to which the University is a party and to all funds administered by the University. Nothing in this policy limits the authority of the Board of Trustees. Persons exercising signing authority must ensure that all requisite approvals, whether by the Board or its designee(s), have been obtained prior to execution, or that execution is expressly subject to obtaining the necessary approvals.

Further, this policy does not replace, in whole or in any part, the policies and methods for procuring goods or services, or capital projects, under the University's Procurement Policy.

All Montclair State University employees (i.e. staff, faculty, administrative officers, both full- and part- time) are required to review and comply with this policy.

II. Definitions

For purposes of this policy:

“Commitment Approval Authority” means the authority to commit the University to legally binding contracts with external parties.

“Contract” means any legally binding agreement between two or more parties, which commit the resources of the University or create obligations on behalf of the University. Contracts or commitments may take different forms or titles, including but not limited to, *agreement, memorandum of understanding, memorandum of agreement, letter of intent, cooperative or affiliation agreement, proposal, purchase order, notice of award, etc.* These or other, similar documents that commit the University are considered contracts and shall be entered into only in accordance with the terms of this policy.

“Cost Center Manager” means the individual designated as responsible for management of an account or cost center within the University’s financial systems. Cost Center Managers are designated by the respective division head (such as a Vice President, Dean, or equivalent) and are assigned the role by Workday Operations at the time of appointment.

“Disbursement Approval Authority” means the authority to approve the release of funds from University bank or investment accounts whether by check, wire, electronic funds transfer, or other available mechanism.

“Requisitioner” means an individual who orders goods or services for business-related purposes on behalf of his or her department.

“Signing Authority” means legal authority delegated to specific positions within the University by the Board of Trustees to execute contracts or other documents on behalf of the University. This encompasses both commitment and disbursement approval authorities.

III. Policy

A. Commitment Approval Authority / Contract Signing Authority

An individual has authority to execute contracts on behalf of the University if any of the following apply:

- The Bylaws of the Board of Trustees grant such authority;
- A Resolution of the Board of Trustees grants such authority;
- There has been a valid Delegation of Authority by the President or in accordance with section III (E) of this policy;
- The individual is procuring goods and services pursuant to authority granted under the Procurement Policy.

The following University Officers are authorized as signatories on University contracts and related documents:

President (and in the President’s absence, the Provost and Senior Vice President for Academic Affairs; and the Chief Operating Officer and Senior Vice President)

Chief Operating Officer and Senior Vice President

Provost and Senior Vice President for Academic Affairs

Vice President for Finance & Treasury

The authorized approvers are further defined per type of contract as follows:

1. Contracts involving the procurement of goods and services:

Approvals for contracts and related documents that involve the procurement of goods and services are delegated as defined in the table below. The next level of authority may sign a University contract and related documents for a lower amount. Contracts involving the procurement of goods and services must follow all policies and procedures as outlined in the Procurement Policy:

Amount	Approver Position / Title
\$0 to <\$200,000	Vice President for Finance and Treasury

\$200,000 to <\$500,000	Chief Operating Officer and Senior Vice President; or President
\$500,000 to <\$850,000	President
≥\$850,000	President (after approval of the Board of Trustees for procurements)

2. Contracts for Academic Affairs not involving procurements:

Approvals for contracts and related documents for Academic Affairs that do not involve the procurement of goods and services by the University (such as affiliation agreements, agreements of cooperation, acceptance of grant funds, research agreements, or other similar agreements) may be signed by the President, Chief Operating Officer and Senior Vice President; or the Provosts and Senior Vice President for Academic Affairs or their respective designee.

3. All Contracts

All contracts are subject to review by the University Counsel's office as well as any other required approvals per University Policy. For additional information on procedures for obtaining legal review, please see *Procedures for Obtaining Legal Review*. Once all applicable approvals are received, the contract may be submitted for signature.

B. Board of Trustees Approval and Waivers of Advertising

Waiver of Advertising procurements (and all other procurements of goods and services) must follow all policies and procedures as outlined in the Procurement Policy. All waivers of advertising and procurement requests are submitted to Procurement Services in which the final approval has been delegated as defined in the table below. All waivers of advertising that are delegated are reported to the Board of Trustees at the next regular meeting:

Waiver Amount	Approver Position / Title
Bid threshold to <\$200,000	Vice President for Finance and Treasury
\$200,000 to <\$500,000	Chief Operating Officer and Senior Vice President; or President
\$500,000 to <\$850,000	President
≥\$850,000 (all procurements including waivers of advertising, public bids, and cooperative contracts)	Board of Trustees approval is required. This applies to all procurements, regardless of procurement methodology

C. Requisition and Budgeted Payment Approvals

All approvers, as defined in the tables below, are required to review the nature of the expense, suitability of the spend category, the payee, and the amount, in order to validate the appropriateness of the transaction. In all cases, submission and approval of an expense item is subject to adherence to any applicable University policies and procedures, as well as to any funding terms and conditions required by

external entities.

1. Purchase Orders

The primary method to procure goods or services at Montclair State University is through a purchase order. Before a purchase order is initiated in the University's financial system, the Requisitioner must follow all policies and procedures as outlined in the Procurement Policy. As noted in that policy, goods cannot be ordered, nor services rendered, prior to the issuance of a purchase order.

Once a requisition has been initiated in the financial system, it must be approved by the department or cost center manager and the Procurement Group as follows:

Purchase Order Amount	Approver Position / Title
Below the bid threshold	Procurement Buyer or Manager, as assigned in the financial system
Bid threshold and above	Director or Assistant Vice President of Procurement, as assigned in the financial system

Additional approvals may be required for certain types of goods and services as defined in the Procurement Policy and as noted below in Section 8.

After a purchase order is issued, the Requisitioner must enter a receipt for the goods and services in the financial system before payment can be made. All invoices related to the purchase order should be directed to the Accounts Payable (AP) unit of the University Controller's office for entry into the financial system. No additional approvals are required, other than any applicable Funds Disbursement Approval as noted below.

2. Supplier Payments Without a Purchase Order

Supplier payments not requiring a purchase order are generally limited to incidental purchases of certain goods or services such as memberships, subscriptions, and express shipping, for which purchase orders are not issued or are not practical, or for limited exceptions as noted in the Procurement policy. For invoices without a purchase order, Cost Center Managers are authorized to provide approval, up to the amount indicated in the table below. A Requisitioner for a particular good or service cannot also approve the same request. In instances when the Approver is the individual submitting a requisition, approval by the next level of authority is required. Invoices with values greater than the Cost Center Manager's threshold amount are subject to the additional approvals as indicated:

Expenditure/Invoice Amount	Approver Position / Title
< \$100,000	Cost Center Manager, as defined above
≥ \$100,000	Level 2 Approver, as assigned in financial system, generally a senior level manager as designated by a Vice President, Dean, or equivalent

In addition to the functional approvals noted above, all supplier payments without a purchase order require final review and approval by the Accounts Payable department. AP is responsible for review of the account and expense category codes, documentation, and policy compliance, including the appropriateness of the supplier payment without a purchase order.

3. Payroll Transactions

Regularly scheduled and off cycle payroll payments are subject to approval by the Director of Payroll and deemed approved for funds disbursement purposes.

4. P-Card and Travel Card Transaction Approvals

Approvals of individual P-Card transactions are governed by the P-Card Policy. Spend authorizations on the Travel Card are subject to the University Travel and Expense Reimbursement Policy.

5. Travel and Expense Reimbursement Approvals

Reimbursements of travel and expenses, for employees or other authorized parties, are subject to the University Travel and Expense Reimbursement Policy.

6. Student and Parent Refund Checks

Student and parent refund checks are processed in accordance with the University's Refund and Withdrawal Policy and are deemed approved for funds disbursement purposes once released for payment by the Office of Student Accounts.

7. Ad Hoc Payment Approvals

Ad Hoc Payments are generally strictly limited and must be initiated in the financial system by the Accounts Payable department or through direct system integrations. Certain payroll related supplier payments may be processed through the Ad Hoc Payment process in the financial system and are subject to transaction-type specific approvals. Ad Hoc Payments are subject to the same funds disbursement approval process as defined in this policy

8. Additional Approvals for Purchase Orders and Supplier Payments

Grants – For transactions involving Grants, all expenditures, regardless of the amount, require the approval of the Principal Investigator and the Grants Accounting Office.

Gifts – For transactions involving gifts, all expenditures, regardless of the amount, require approval by the Gift Manager.

Capital Expenditures – All expenditures related to capital projects or other alterations to physical infrastructure require the approval of the Vice President for University Facilities, regardless of amount.

Information Technology – Purchases of information technology, including hardware, software and related services, require approval of the Vice President for Information Technology & Chief Information Officer. Subsequent to the approval of the Vice President for Information Technology and Chief Information Officer, the purchase of information technology services over \$10,000 related to academic programs require approval of the Provost and Senior Vice President for Academic

Affairs, or their designee.

Marketing and Communications – Purchases of custom and digitally printed materials require the approval of the Communications department.

D. Funds Disbursement Approval / Check Signing Authority

The release of funds from Montclair State University's bank and investment accounts, whether by check, wire, electronic funds transfer or other means.

The following University Officers are authorized as signatories on University cash disbursements and other banking transactions and bank account documents:

- President (and in the President's absence, the Provost and Senior Vice President for Academic Affairs, or Chief Operating Officer and Senior Vice President, or their respective designees)
- Chief Operating Officer and Senior Vice President
- Vice President for Finance & Treasury
- Associate Vice President for Finance
- Assistant Vice President for Budget and Planning
- Controller
- Treasurer

The Chief Operating Officer and Senior Vice President or Vice President for Finance & Treasury may authorize the release of funds by additional parties or contractors in limited circumstances as may be required by University business needs. Such circumstances could include third party service providers acting on the University's behalf and under the terms and conditions of an executed agreement. Such authorizations shall be documented and approved by the President.

E. Delegation of Authority Procedures

Persons with approval authority may temporarily delegate their authority to another individual within their division in order to accommodate day-to-day operations of the University. Such delegations should include the duration of the delegation and require supervisor approval. This section applies for this policy in its entirety.

F. Unauthorized Commitments or Agreements

Individuals who enter into agreements or facilitate the release of University funds without the proper authority or approval pursuant to this policy may be held personally liable for any financial loss incurred by the University as a result. Further, individuals who sign contracts without proper authority pursuant to this policy may also be subject to disciplinary action, up to and including termination.

G. Exceptions to Policy

The Chief Operating Officer and Senior Vice President or Vice President for Finance & Treasury is authorized to make exceptions to the policies described herein, when doing so is deemed to be in the best interest of the University. Such exceptions must be documented in writing and provided to Treasury and the Controller's Office.

H. Code of Ethics

Any individual entering into or authorizing a contract, an expense or a disbursement of funds on behalf of Montclair State University must exercise their authority in a manner consistent with the University's Code of Ethics.

IV. References and Related Montclair State University Documents

- A. Procurement Policy
- B. Procedures for Obtaining Legal Review
- C. P-Card Policy
- D. Travel and Expense Reimbursement Policy
- E. State of New Jersey Uniform Ethics Code

Copies of the documents and policies listed above are available on the University's website, www.montclair.edu, or by contacting Finance and Treasury.