



## **Contracting and Purchasing Authority**

### **Purpose**

This policy governs the authority to enter and make contracts, purchases, and agreements of any character on behalf of Stephen F. Austin State University (SFA). It also supports the university's centralized purchasing function, provides for specific delegations outside of the procurement office, and describes the handling of unauthorized purchases.

### **Persons Affected**

This policy applies to all university employees who are responsible for or involved with university contracting, purchasing, and/or agreements.

### **Definitions**

**Contract:** includes, but not limited to, a purchase order with or without additional documents including a quote, terms and conditions, agreement, etc.; a contract document outlining terms of the agreement and requiring signature. Examples include contracts the Board of Regents (Board) approves, contracts the president or designee signs, ordinary operating expenses issued by a purchase order, and revenue contracts.

**Account Manager:** a department head (including department chairs, division heads, and all deans or designees) and/or a financial manager.

**Centralized purchasing:** requires the various departments and operational units of the university to make purchases utilizing the knowledge and experience of the procurement department.

**Unauthorized purchase:** when a university employee orders a product or service without an authorized purchase order issued by the procurement department and the purchase is also not specifically delegated under proper administrative approval.

### **Policy**

The president is delegated the responsibility and authority to enter into contracts, purchases, and agreements to the extent authorized by the University of Texas System Board of Regents.

The president may delegate to other employees of the university power to contract, purchase, or enter into agreements that have been delegated to the president by the Board. The authority to enter into contracts on behalf of the university is expressly granted through a written memorandum of delegation of authority from the president or through this policy. University officials with delegated authority to sign contracts are responsible for ensuring that such documents have been reviewed by the SFA Office of the General Counsel or Procurement office and the appropriate UT System Office, if required, prior to final execution.



The president will remain responsible for all contracts, purchases, and agreements so delegated, and for the proper administration of all grants and agreements funded by private individuals, governmental agencies, and foundations, regardless of delegation of power to contract, purchase, or enter into agreements.

- a. In the absence of the president, or at such time as the president is unavailable to sign a document by a required deadline, the following individuals are authorized to sign on his/her behalf: (listed in order of priority) provost and executive vice president for academic affairs, vice president for finance and administration, vice president for student affairs, associate vice president for finance and administration, associate vice president for academic affairs. All other delegations must be specific and in writing.
- b. All delegations of contracting authority to persons other than those listed above which were made by a previous president shall be void once a new president assumes office.

The SFA Office of the General Counsel shall:

- a. review all contracts and agreements prior to signature, except those that the general counsel has exempted from legal review;
- b. create and maintain a well-defined administrative control environment designed to ensure that management exercises proper oversight when executing contracts on behalf of the university;
- c. refer contracts and agreements to the UT System Office of General Counsel and/or UT System Real Estate Office for approval as required and appropriate; and
- d. develop specific procedures and forms related to the routing, review, and approval of contracts.

All contracts executed by the university, unless specifically exempted by the president, must be reviewed and approved through a formal process and in accordance with Regents' *Rules and Regulations* and UT System (UTS) Policy.

Vendor protests related to the procurement of goods and services will be administered in accordance with UTS 148 Protest Procedures Related to Procurements of Goods and Services.

The department responsible for originating the contract is responsible for maintaining it for the applicable records retention period, either in their own files or by ensuring it has been loaded in the university's contract management system.

The university adheres to a policy of centralized purchasing for the purposes of:

- a. ensuring compliance with state and federal laws, rules, and regulations;
- b. protecting the university from unauthorized acquisitions of supplies, equipment, and services;
- c. providing budgetary control and coordination;
- d. ensuring fair and ethical business practices;
- e. ensuring the effective implementation of the Historically Underutilized Businesses (HUB) program



- f. providing savings through consolidation of requirements and standardization of products where appropriate; and
- g. providing Best Value Procurement (05-301) through various purchasing methods.

## **Procedures**

### **A. Delegated Purchasing Authority**

The procurement department, under supervision of the director of procurement and business services/HUB coordinator, has sole authority for the negotiation and purchase of all goods and services for the university with the exception of items restricted by UTS Policy and the following specific delegations that exist under proper administrative approval:

1. The director of the university libraries is authorized to purchase books, periodicals, journals, and other related materials needed to maintain university resource collections; and the curator of the Stone Fort Museum is authorized to purchase general merchandise for resale in the museum gift shop;
2. Employees are authorized to make procurement card purchases in accordance with Procurement Card (05-305), and procurement card procedures maintained on the procurement department website;
3. Employees may make purchases and request reimbursement if the purchase is approved by the account manager, follows university procurement policy and procedure, and other purchase options are not possible or available (taxes will not be reimbursed, except as allowed by law);
4. Certain direct pay disbursements may be made as outlined in Direct Pay Disbursements (05-201).

A memorandum of delegated purchasing authority is authorized by the president pursuant to the provisions of this policy. Account managers may approve purchases of goods and services subject to policies and procedures.

All other purchases are to be submitted as a formal request for the procurement office to secure a good or service.

All official correspondence other than that delegated above (i.e., solicitations, purchase orders, change orders, cancellations, etc.) shall be issued by the procurement office. The executive director of finance and administrative services is delegated authority to sign all titles and associated documents for the purchase, transfer, or sale of vehicles, trailers, or marine equipment.

### **B. Training**

Pursuant to UTS Policy 156, Purchases and Certain Contract Negotiator Training and Certification, all personnel who process procurements of goods or services on behalf of SFA must obtain appropriate training.



### C. Unauthorized Purchases Made Outside of Delegated Authority

Unauthorized purchases will include inappropriate reimbursement requests that fall outside the scope of university procurement policy and procedure. Except as delegated herein or by the president, university employees are not authorized to commit to an expenditure of funds on behalf of the university.

Unauthorized purchases over \$5,000 will not be paid by the university unless a justification is submitted to the executive director of finance and administrative services and may also be subject to vice president for finance and administration review. If approved, the appropriate documentation and payment approval must be submitted to the procurement office to process a purchase order for the unauthorized purchase. State appropriated funds may not be used to pay for the service or product unless approved by the vice president for finance and administration. If the unauthorized purchase is not approved, the employee will be responsible for payment to the vendor unless the order can be cancelled and/or the goods returned. Any freight, shipping costs, or return penalties will be paid by the employee in the event the order is cancelled and/or the goods returned to the vendor.

The following circumstances will not constitute an unauthorized purchase; however, a requisition must be entered in the university's financial system at the earliest practical date so that payment is not delayed resulting in possible late fees:

- a. emergency purchases as defined by Best Value Procurement (05-301);
- b. memberships;
- c. purchases that were to be made with a procurement card that reasonably could have been expected to be less than \$5,000;
- d. magazine or book subscriptions;
- e. other automatically recurring or renewable fees;
- f. purchases associated with existing contracts negotiated by the procurement office;
- g. tournament fees or game guarantees;
- h. guest lecturers, speakers, artists, entertainers, performers, musicians if the contract is signed by the president or authorized designee prior to the event;
- i. other professional services as defined by state comptroller's expenditure codes, if the contract is signed by the president or authorized designee prior to the event; and
- j. service contracts associated with grants as long as the contract is in process with office of research and graduate studies.

### **Related Statutes or Regulations, Rules, Policies, or Standards**

Regents' *Rules and Regulations*, Rule 10501, Delegation to Act on Behalf of the Board  
Regents' *Rules and Regulations*, Rule 20901, Procurement of Goods and Services;

UTS 126 Real Estate Contracts



**STEPHEN F. AUSTIN  
STATE UNIVERSITY**

Handbook of  
Operating Procedures

Policy Number: 05-302  
Last Revised: N/A

UTS 137 Historically Underutilized Business (HUB) Program  
UTS 145 Processing of Contracts  
UTS 148 Protest Procedures Related to Procurements of Goods and Services  
UTS 156 Purchaser and Certain Contract Negotiator Training and Certification  
UTS 159 Purchasing

SFA HOP 05-301 Best Value Procurement  
SFA HOP 05-201 Direct Pay Disbursements  
SFA HOP 05-305 Procurement Card

Contract Management Handbook

**Responsible Executive**

President; Vice President for Finance and Administration

**Forms**

Memorandum of Delegated Purchasing Authority

**Revision History**

September 1, 2023 (original)