



# Contract and Financial Transaction Approval Authority

## Major Topics

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Appendix

## I. Introduction

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This regulation establishes the policies and procedures whereby the President delegates authority to administrative officers to enter into certain agreements and authorize payments on behalf of the University.

## II. Policy

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The President is authorized by the Board of Trustees to enter into certain agreements and authorize payments on behalf of the University.

This authority is delegated by the President to certain administrative officers of the University as outlined in this regulation and its Appendix. The University may be committed in these respects only in a manner consistent with this delegation.

In making these delegations the President has established minimum levels of responsibility for approval of transaction documents and contracts as indicated in this regulation. All general and specific delegations of authority under this regulation shall be consistent with these minimum levels of responsibility.

Although signatory or approval authority may be delegated below the minimum levels of responsibility indicated in this regulation, the assigned official remains fully responsible for all transactions executed under the delegated authority.

### III. Definitions

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#### A. Agreements and Contracts

An agreement or contract means an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law. A contract may be many forms, including, but not limited to, a letter, memoranda of understanding, memoranda of agreement, lease, email, on-line agreement, or other.

#### B. Procurement

Procurement means the purchasing, buying, renting, leasing, or otherwise obtaining of any supplies, services, or equipment.

#### C. Transaction Documents

Transaction documents include all methods used to record the business activities of the University in its accounting records. Examples include purchase requisitions, payment request documents (PRDs), procurement card edits, travel vouchers, and payroll authorization records (PARs).

### IV. General Delegation for Agreements and Contracts

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- A. All agreements and contracts involving the University shall be approved by the President or the Executive Vice President for Finance and Administration (EVPFA), except as otherwise provided in this regulation.
- B. All agreements and contracts involving procurement shall be requisitioned through the Purchasing Division and comply with KRS 45A (Model Procurement Code), unless otherwise delegated. For example, the procurement card process is delegated to University departments pursuant to Business Procedures Manual B-3-2.
- C. All agreements and contracts shall be reviewed by the Office of Legal Counsel prior to execution. Blanket approval may be given for certain form contracts (e.g. student housing rental agreements, student loan agreements, and routine procurement contracts) at the discretion of the Office of Legal Counsel. Blanket approval, when given, shall be in writing.
- D. Human Resources and the Office of Legal Counsel shall be consulted on all agreements and contracts related to employment and employees. Human resources shall be consulted on all other transactions related to employment and employees.

### V. Other Specific Delegations

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- A. The President has delegated specific authority for approving contracts for certain services and activities to the administrative officers of the University as indicated the Appendix.
- B. The agent of the University for the service of all legal processes shall be the Office of Legal Counsel.
- C. The Office of the Treasurer is responsible for final review and approval of all payments as to propriety, source of funds, appropriateness of documentation, and adherence to University policies and regulations.

D. All delegations of signatory or authority approval shall be in writing.

## VI. Procedures for Transaction Documents

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- A. The Provost, executive vice presidents, and others reporting directly to the President are responsible for establishing plans for processing and approving transaction documents for their respective areas of responsibility in accordance with applicable Business Procedures Manual provisions, including *BPM E-1-3* and *E-17-6*.
- B. The responsible person for each expenditure cost object shall approve transaction documents. The following are applicable to financial transactions:
1. Signatory and approval authority may be delegated to persons under the direct supervision of the responsible person. All delegations shall be in writing. (See *BPM E-1-3*)
  2. Individuals cannot approve transaction documents payable to themselves (i.e. travel reimbursement). The immediate supervisor or higher level shall approve payments to employees. (See *BPM E-1-3* and *BPM E-5-1*)
  3. Transaction documents require a segregation of the receiving and approval functions evidenced by a separate creator and approver for online transactions and two (2) signatures for paper documents. (See *Administrative Regulation 10:5* and *BPM E-1-3*)
  4. The delegated person is directly responsible for the appropriateness of each transaction charged and posted to the expenditure cost object consistent with University policies and regulations. (See *BPM E-1-3*)
  5. Transaction documents that do not require approval at a level higher than responsible person may be submitted directly to the appropriate offices for final processing (unless otherwise directed by department, college or supervisor).
  6. Transaction documents that require approval at a level higher than the responsible person shall be submitted to the appropriate office (i.e. Provost, dean, director).

## References and Related Materials

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KRS 164.100, University of Kentucky Recognized

Governing Regulation, Part I - The University of Kentucky (Definition)

Governing Regulation, Part II - Governance of the University of Kentucky

Governing Regulation, Part III - The President of the University of Kentucky

Administrative Regulation 2:1, Procedures for Faculty Appointment, Reappointment, Promotion and the Granting of Tenure

Administrative Regulation 7:3, Policies and Procedures for Soliciting, Receiving, Recording, and Administering Grants and Contracts for Sponsored Projects

Administrative Regulation 10:5, Electronic Signatures Policies and Procedures

Business Procedures Manual E-1-3, Fiscal Roles and Responsibilities

Business Procedures Manual B-3-2, Delegated Procurement Authority for University Departments

Business Procedures Manual E-5-1, Reimbursement of Travel Expenses

Business Procedures Manual E-17-6, Reconciliation and Review of Financial Transactions

## **Revision History**

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8/17/2005, 11/15/2006, 11/24/2015

For questions, contact: [Office of Legal Counsel](#)

## Appendix

AUTHORITY	AGREEMENT
Provost	<ul style="list-style-type: none"> <li>• Academic Programs - Limited to previously authorized programs</li> <li>• Clinical Affiliation Agreements for Non-healthcare Colleges (e.g. Social Work)</li> </ul>
Vice President for Research	<ul style="list-style-type: none"> <li>• Research and Related Agreements, including Research (non-clinical) Fee for Service Agreements</li> <li>• Confidentiality and Data Use Agreements related to Research, expressly including Healthcare Research, such as agreements related to Clinical Trials and other funded or unfunded research activities</li> </ul>
Director of Athletics	Athletic Competition
President, Executive Vice President for Finance and Administration, Director of Athletics	Employment of Coaching Staff
In accordance with AR 2:1	Faculty Appointment, Promotion, Tenure
In accordance with AR 7:3	Sponsored Projects
Office of Legal Counsel	Indemnity Agreements
Dean, College of Medicine	Physician Practice Agreements
Executive Vice President for Health Affairs	<p>Agreements Related to Clinical Activities:</p> <ul style="list-style-type: none"> <li>• Clinical Rotation Agreements for the HealthCare Colleges</li> <li>• Patient Transfers Executive Vice President for Health Affairs</li> <li>• Third Party Reimbursements Executive Vice President for Health Affairs</li> <li>• Veteran’s Affairs (V.A.) Agreements Executive Vice President for Health Affairs</li> <li>• Healthcare services agreements (e.g. tissue banking, 340B pharmacy agreements)</li> <li>• Clinical Services (e.g. UK physician/healthcare providers providing clinical services to an outside entity)</li> <li>• Medical Director (e.g. UK physicians providing medical direction to outside entity)</li> <li>• Network Affiliation Agreements (e.g. the Stroke Affiliate Network and Markey Cancer Center)</li> </ul>

Affiliate Network)

- Business Associate Agreements related to healthcare (HIPAA)
- Data Use Agreements related to healthcare\*
- Confidentiality Agreements related to healthcare\*
- Physician Consulting Agreements (e.g. UK physicians providing professional consulting services to outside entities)
- Clinical Staff Training Agreements (e.g. staff employed by outside healthcare entities coming to UK for specific training)
- Registry Agreements (e.g. cardiology or cancer registry)
- Healthcare documentation to regulatory authorities (e.g. hospital recertification)
- Purchase of healthcare services such as emergency room physician coverage. (EVPHA signs as requesting or recommended by, before being signed by purchasing and EVPFA)
- Research (clinical) fee for service agreements
- Lease and Related Services Agreement executed by KMSF for the use and benefit of the University (NOTE: EVPHA signs as requesting or recommended by, before being signed by purchasing and EVPFA)

\* The Vice President for Research is authorized to sign healthcare confidentiality and data use agreements *directly intended to support research*, including but not limited to sponsored agreements.