

POLICY ON SIGNATORY AUTHORITY OF CONTRACTS

1. PURPOSE

The Policies on the Legal Review and Approval of Contracts (PLRAC) took effect on November 15, 2015 and established the rule on the signature authority of contracts. This policy amends Section 7.1 of the PLRAC and authorizes specific persons who can legally bind the university or obligate University resources. The purpose of this policy is to promote the University's internal control mechanism by specifying the persons who are authorized to sign contracts on behalf of the university.

2. SCOPE

This policy applies to all contracts as defined in the Policies on the Legal Review and Approval of Contracts (PLRAC).

3. POLICY

All contracts must be signed by an authorized signatory of the university as defined in this policy, unless otherwise authorized by the Board of Trustees of the University.

4. SIGNATURE AUTHORITY

The President has the overall authority to sign all contracts on behalf of the university, which he may delegate in writing to the Chancellor. The table of authority below enumerates the persons who have the authority to sign contracts on behalf of the university within the jurisdiction of their respective offices. The President reserves the right to review each contract on a case to case basis.

All delegations of authority to sign contracts must be in writing and for a specific purpose or period.

Each authorized signatory is designated as Level 1, 2, 3, 4 or 5 (1 being the highest and 5 being the lowest) as indicated below. The designation of the level signatory in the tables of authority automatically grants authority to a higher level signatory.

- Level 1: President
- Level 2: Chancellor
- Level 3: Vice-Presidents, and Vice-Chancellors.
- Level 4: Associate Vice-Chancellors, Deans, Controller and Executive Directors
- Level 5: Directors directly reporting to the Vice-Chancellors and Vice-Presidents; Directors directly reporting to the Chancellor; Directors and Heads of Offices under the Office of the President.

4. TABLES OF AUTHORITY

The signatory authorities under Section 3 shall have the authority to sign contracts in accordance with the tables of authority in this section on the basis of the type and scope, duration and amount of the contract. In case a contract falls under two or more tables, the signatory authority shall be the one with the higher level signatory authority.¹

TABLE 1: Type and Scope of Contract

Type and Scope of Contract	Authorized Signatory²
Institutional Contracts³	Level 1
Contracts for legal services	Level 1
Real estate lease agreements	Level 2
Contracts for purchase of goods and/or services	Level 3
Employment Contracts	Level 3
Leases, service, construction and/or operating agreements/contracts with government and private entities	Level 3

¹ For example, an institutional contract with an amount of P100,000 shall be signed by Level 1 even if a Level 5 signatory can sign the contract under table 3.

² Limited to the jurisdiction of the unit or office to which the authorized signatory belongs. In case of doubt, the authorized signatory shall be the next higher level signatory. All delegations of authority to sign shall be in writing.

³ These are contracts that affect the interest of the entire university.

Debt issuance and investments	Level 3
Contracts related to the payment of tuition and fees	Level 3
Financial Aid contracts and scholarship agreements	Level 3
Admissions contracts with students	Level 3
Research Contracts, sponsored projects, grants and related contracts.	Level 3
Donations	Level 3
College Level Collaboration Agreements	Level 4
Software licenses	Level 4
Intellectual Property licensing, permissions, and assignments	Level 4

Student Contracts	Level 4
On the Job Training/Internship Agreements; Service/Commissioned Work; Sponsorship Agreements, Non-Disclosure Agreements, Student Agreements	Level 5

TABLE 2: Duration of Contract

Duration of Contract	Authorized Signatory
More than 3 years	Level 2
More than 1 year to 3 years	Level 3
Up to 1 year	Level 5

TABLE 3: Amount of Contract

Amount of Contract	Authorized Signatory
Above 1 Million	Level 1
Above 500,000 to 1 Million	Level 2
Above 100,000 to 500,000	Level 3
100,000 and below	Level 5

There are cases when the signatory authority for the University depends on the signatory authority of the other party by custom, tradition or agreement of the parties. In these cases, the signatory authority of the University shall depend on the rank or position of the parties which shall be determined on a case to case basis. In these cases, the signatory authority for the University shall be with the written approval of Levels 1 or 2.

4. PENALTY

Any violation of this policy shall be dealt with in accordance with the PLRAC.

5. INTERPRETATION

The authority to interpret this policy rests with the President and is generally delegated to the Chancellor or the University Legal Counsel.

6. EFFECTIVITY

This policy was approved by the Board of Trustees during its regular meeting on September 26, 2016 and shall take effect immediately.