



Signing and Contracting Authority

2007 September 1

This document sets forth procedures to be used at Shoreline Community College (the "College") in procuring goods and services, executing contracts, and carrying out travel activities. In doing these things, the College must fulfill not only its various duties to students, faculty, and staff, but also its fiduciary duty to the citizens and taxpayers of the state of Washington and to bondholders who have financed certain of the College's capital projects. Although this document does not represent a College "policy" in the sense that it is subject to the governance process set forth in Policy 2301, it has been reviewed by the President's Senior Executive Team and is to be followed for the reasons given below.

The Revised Code of Washington (RCW), at Section 28B.50.140(1), vests the College's Board of Trustees (the "Board") with broad authority to operate the College. In order to carry out its duties, the Board, through the College's administration, must acquire goods and services, enter into contracts, and authorize travel. Pursuant to RCW 28B.50.140(14), and by means of Board Resolution 75, the Board has delegated general operating authority to the president of the College. The president, in turn, delegates certain authority to vice presidents. This delegation is consistent with WAC 132G-133-020(a), which provides that the president acts as the chief executive officer of the College. Once delegated, powers and duties are exercised in the name of the Board, pursuant to RCW 28B.50.140(14). These delegations of authority are not College policies that require approval from the Board, because the Board is simply exercising its statutory authority to carry out its duties and has delegated that authority pursuant to statute, by its resolution. The purpose of this document is to provide a structure within which to implement the delegated authority.

In accordance with Resolution 75, the Board adopted Motion 06:36 on 2006 June 28. This motion provides that the president may delegate contract signing authority to the vice president for academic affairs or the vice president for administrative services. In a memorandum dated 2006 September 1, written pursuant to Resolution 75 and Motion 06:36, the president officially delegated authority for contract signing to the vice president for administrative services. In order to ensure consistency in the College's contractual relationships, the president has further indicated that the vice president for administrative services is to be the ordinary contract signer on campus. In the same memorandum, the president confirmed that the vice president for administrative services had assumed the office of College treasurer with duties enumerated in RCW 28B.50.142 and in compliance with the provisions of RCW 28B.50.143.

The remainder of this document explains how goods and services are to be procured, contracts are to be executed, and travel is to be conducted. At the end of the document are additional provisions to be followed, as well as a discussion of how to obtain further information and how this document may change over time.

A. Purchase Requisitions, Annual Orders, and Invoice Vouchers

1. Any employee or student may prepare a purchase requisition, annual order, invoice voucher, interdepartmental charge voucher, or purchasing card authorization form (collectively, a “Purchasing Document”). The preparer’s name may appear on the Purchasing Document for reference, but the preparer does not sign the Purchasing Document unless he or she also has signing authority for the budget being charged.
2. The only persons who may sign Purchasing Documents are deans, directors, executive directors, special assistants to the president, vice presidents, confidential assistants to the vice presidents, the executive assistant to the president, and the president.* Collectively, these persons are known as “Purchasing Signers.” While budget monitoring activities and preparation of Purchasing Documents may be delegated by a Purchasing Signer to various persons (e.g., program managers, secretary supervisors, etc.), the only persons who have ultimate responsibility for any particular budget, or can sign Purchasing Documents, are Purchasing Signers.
3. Purchases of all technology items (including hardware, software, peripherals, accessories, and application service provider services) must be approved for conformity with College standards by Technology Support Services prior to signature by the Purchasing Signer. Purchases of all media items (including audio and video equipment and services) must be approved for conformity with College standards by Media Services prior to signature by the Purchasing Signer. The technical approval of these items will be indicated by a signature, but this signature does not in itself constitute signing authority for purchasing.
4. First-level signing authority rests with the Purchasing Signer who has responsibility for the budget that is being charged. If multiple budgets are being charged, and if the budgets do not fall within a single Purchasing Signer’s budget responsibility, each Purchasing Signer with budget responsibility must sign.
5. Second-level signing authority rests with the vice president for the area in which the Purchasing Signer reports. (Where the Purchasing Signer is a special assistant to the president, second-level authority lies with the area vice president, not the president.) In the case of the executive assistant to the president, second-level signing authority rests with the vice president for administrative services or the president. If the

*In addition, each vice president, at his or her discretion, and with the agreement of the vice president for administrative services, may designate in writing *two* additional persons, each of whom will also be considered a Purchasing Signer. The additional persons must be assigned to the area under the vice president requesting the designation, and the position descriptions of such additional persons must include budget management as an essential function.

Purchasing Signer is a vice president, the second-level signing authority is the vice president for administrative services or the president.

6. Third-level signing authority rests with the president or the designated administrator-in-charge (see A.10, below).
7. A signature from the appropriate first-level signing authority is necessary on all Purchasing Documents, regardless of amount. A signature from an appropriate second-level signing authority is necessary on all Purchasing Documents with total amounts greater than or equal to five hundred dollars (\$500). A signature from a third-level signing authority is necessary on all Purchasing Documents with total amounts greater than or equal to fifty thousand dollars (\$50,000).
8. A Purchasing Signer who is or expects to be away from campus will appoint another Purchasing Signer, usually a person with the same or similar title, to sign on behalf of him or her *in absentia*. The Purchasing Signer who is appointed to sign *in absentia* must still be one of the persons listed in A.2, above. For example, a dean may appoint another dean or a director, and an executive director may appoint another executive director, a director, or a special assistant to the president. However, continuing the example, a dean may not appoint a faculty member who is not a director, nor may a director appoint a program manager or assistant director. NOTE: The term “administrator-in-charge” (or “AIC”) is used *only* for the person whom the president appoints during his or her absence (see A.10, below). To avoid confusion, the term “alternate signer” or something similar should be used when a Purchasing Signer appoints another person to sign *in absentia*. When an alternate signer signs for a Purchasing Signer, the alternate signer should clearly indicate that he or she is signing for the Purchasing Signer. EXAMPLE: Assume that the Purchasing Signer, Jane Doe, has delegated her signing authority to John Smith in her absence. John Smith would sign his own name and write “for Jane Doe” after his signature.
9. A vice president who is away from campus will appoint another vice president to sign on behalf of him or her *in absentia*.
10. When the president is away from campus such that signing documents in a timely manner is impractical, he or she will appoint a vice president as administrator-in-charge (AIC). While serving as AIC, the AIC has the same signing authority as the president. The AIC’s authority automatically ends when the president returns to campus or is close enough to campus to allow the timely signing of documents.
11. Signatures should be made in an ink color other than black to ensure that original documents are readily distinguishable from photocopies.
12. Signature stamps present significant challenges to proper internal control.* Signature stamps are *never* to be used on any College document of any kind (even if not a Purchasing Document) without the express written permission of the special assistant

*See, e.g., Washington State Auditor’s Office, Report of Whistleblower Investigation No. 04-015 (2004 January 30), available at <http://www.sao.wa.gov>.

to the president for budget and internal control, cosigned by the vice president for administrative services. This permission will be given only in extraordinary cases. Proposals to use signature stamps will require a written justification that clearly states which documents are to be stamped, by whom, and why original signatures are impractical. Actual use of permitted signature stamps will require a log of all documents stamped, noting the date, time, stamp user, and appropriate witnesses. In addition, signature stamps will be subject to controls on custody and security. Any currently existing signature stamps are to be destroyed or given to the special assistant to the president for budget and internal control for destruction.

13. Particular attention must be paid to situations where employees purchase goods and services with personal funds in anticipation of reimbursement by the College. Supervisors are responsible for informing all employees in their areas that unless permission is received in advance from all persons holding applicable signing authority, reimbursement cannot be assured. With the exception of certain travel (*e.g.*, personal vehicle mileage) there should be no reason why employees ordinarily need to purchase goods or services from personal funds. Questions about this issue should be addressed to the vice president for administrative services.

B. Receiving Reports

1. Receiving reports are records of goods or services received pursuant to an annual order. They are not Purchasing Documents.
2. Receiving reports should be signed by a College employee with first-hand knowledge that the goods or services have been received or provided in good order. The signer of a receiving report does not need to be a Purchasing Signer as defined in A.2, above.

C. Contracts

1. The only three persons who have any legal authority to obligate the College in any way pursuant to contract are the vice president for administrative services, the vice president for academic affairs, and the president. The vice president for administrative services is the ordinary contract signer. In his or her absence only, one of the other two authorized persons will sign. *Persons other than the three listed above who sign contracts risk incurring personal financial liability for payment or performance.* All College employees should beware of contracts that do not “look like” contracts. Any obligation of the College’s money, goods, services, space, intellectual property, trade name, or other property is a contract.
2. Permission to negotiate contracts (including personal services contracts of any amount) must be granted by a vice president or the president prior to negotiating the contract. The vice president for administrative services will be the person giving such permission unless the president specifically designates other vice presidents as having authority to negotiate certain contracts (*e.g.*, the president customarily designates the vice president for human resources and college relations as the chief negotiator for collective bargaining agreements). Counterparties (*i.e.*, the parties to the contract not

affiliated with the College) should not be given contracts to sign that have not been previously reviewed with the vice president for administrative services, since unreviewed contracts may ultimately not be acceptable to the College.

3. Following these contracting procedures is imperative in order to avoid running afoul of state purchasing laws and regulations. Typically, contracting processes need to begin weeks, not days, before goods are needed or services are provided. For larger contracts, some of which may involve competitive bids, public notices, negotiations, research, or involvement of legal counsel, the time involved could be months. Persons who do not have contract signing authority must not quote costs or fees, or make offers (even verbally), without involvement of a person who does have contract signing authority, who in ordinary cases is the vice president for administrative services.
4. Where personal services contracts (of any amount) are involved, the vice president for administrative services and/or the vice president for human resources and college relations will review proposed contracts to determine whether the College is contracting for services that could be provided by members of a bargaining unit (i.e., whether the College is “contracting out”). Departments and divisions need to be aware of this issue in conducting their business but are not responsible for determining whether the College is contracting out, nor for initiating the bargaining necessary prior to contracting out. This is a matter for the vice president for human resources and college relations to address with the appropriate bargaining unit officials. The vice president for administrative services and/or the vice president for human resources and college relations will also ensure that the personal services contract is with a genuine independent contractor and not a *de facto* employee. When in doubt, it is almost always better to hire persons on payroll at hourly rates (with prior approval from the human resources manager) than to use a personal services contract.
5. While primary responsibility for compliance with the Ethics in Public Service Act (Chapter 42.52 RCW) (the “Ethics Act”) lies with each individual employee of the College, the vice president for administrative services and/or the vice president for human resources and college relations will consider whether proposed contracts, including personal services contracts, present issues that may involve the Ethics Act.

D. Travel

1. A separate travel authorization form must be completed and signed prior to each instance in which a person is placed in travel status. The exception is for same-day (i.e., non-overnight) travel within King, Snohomish, Pierce, and Thurston counties, in which case no travel authorization form is necessary.
2. Travel authorization forms are signed by the Purchasing Signer with responsibility for the budget where the travel expenses will be charged. Out-of-state travel requires the signature of the appropriate second-level signing authority (see A.5, above).

Travel outside the continental United States requires the signature of the third-level signing authority (see A.6, above).

3. The president's travel authorization forms are signed by the vice president for administrative services.
4. Travel expense vouchers are signed by the same person(s) who are authorized to sign travel authorization forms, as detailed in D.1 through D.3, above.

E. Variances, Questions, and Changes

1. The source of funds (e.g., "hard money" versus "soft money," professional development funds, grants, contracts, student funds) does not affect the requirements set forth in this document.
2. Where the provisions of a grant or contract are more restrictive than the requirements set forth in this document, the provisions of the grant or contract must be followed.
3. Where the provisions of a grant or contract are less restrictive than the requirements set forth in this document, the advice and interpretation of the vice president for administrative services must be sought prior to taking any action contrary to these requirements.
4. Questions about this document should be directed to the confidential assistant to the vice president for administrative services.
5. This document is subject to change as the need for clarification arises or as laws, regulations, policies, and procedures are adopted by the College or various authoritative bodies. The current version of the document will be available on the College intranet.
6. This document supersedes all prior conflicting procedures, directives, authorities, limits, guidelines, and conventions.
7. Purchasing Signers (see A.2, above) are responsible for communicating this information to all persons in their areas who have a need to know the requirements and for ensuring that the current version of this document is being followed.

*Issued by the President's Senior Executive Team
2007 September 1, with immediate effect*