I. REASON FOR THIS POLICY

This policy provides information regarding delegated authority and the approval process required when university departments are entering into contracts, agreements or Memorandums of Understanding (MOU).

II. STATEMENT OF POLICY

Pursuant to Board of Regents (BOR) Contracts and Agreements Policy 5:3, the President of The University of South Dakota (USD) has the exclusive authority to approve contracts and agreements on behalf of the institution unless otherwise specifically delegated.

The Director of Auxiliary Services shall maintain a matrix of contract and agreement types indicating any delegated authority. In addition to any delegated authority referenced, each department must ensure the document has been approved by the appropriate senior level authority according to approval procedures developed by the Vice President of the Division.
III. DEFINITIONS

**Contract and Agreement:** a binding agreement between two or more parties for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration.

**Memorandum of Understanding (MOU):** is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action. It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement.

IV. PROCEDURES

Departments shall initiate the contract document. All contracts, other than the standard consultant/services contract, must be sent to the Director of Auxiliary Services for review prior to soliciting signatures. Auxiliary Services will ensure the contract is in compliance with all state, BOR and university contract requirements.

After the document has been approved by Auxiliary Services, the initiating department shall collect signatures from the contractor and all required departmental signatures. Once the signatures are received, the document must be delivered to the Director of Auxiliary Services for final approval. Documents requiring signature from the President will be forwarded to the President’s Office from Auxiliary Services.

Auxiliary Services shall return the documents to the department after the approval process is complete. The department is responsible for distributing copies to the appropriate parties and must deliver a fully executed original document to Auxiliary Services.

Departments are encouraged to direct questions regarding contractual language and content to the Director of Auxiliary Services before collecting signatures.

V. RELATED DOCUMENTS, FORMS AND TOOLS

Auxiliary Services forms and documents: [https://portal.usd.edu/administration/administration-resources/auxiliary-services.cfm](https://portal.usd.edu/administration/administration-resources/auxiliary-services.cfm)