



**PRINCETON
UNIVERSITY**

Transaction Authority Policy

(Binding the University to Agreements and Commitments)

I. PURPOSE

This Policy clarifies the authority individuals employed by Princeton University have been delegated to bind the University to agreements with outside parties, including individuals and governmental entities, and to make and receive commitments on the University's behalf. It specifies dollar limits applicable to University employees' further delegation of the authority they have been given, and it notes situations where consultation with others within the University is encouraged before an individual binds the institution to an agreement or commitment.

II. DELEGATION OF AUTHORITY BY THE TRUSTEES OF PRINCETON UNIVERSITY, THE PRESIDENT AND OTHER OFFICERS

Princeton University's bylaws provide that all powers to act on the University's behalf are vested in its Board of Trustees, with the President authorized to carry out the Board's policies and actions, personally or via delegation of authority to others, including the power to transact business on behalf of the University with outside parties. In addition, the bylaws and Board resolutions appended thereto describe areas of responsibility and duties for each of the officers, reflecting authority delegated from the Trustees through the President.¹ Furthermore, from time to time, the Board may adopt resolutions specifically authorizing University officers, staff or faculty to act on behalf of the University with outside parties. Princeton University officers, staff and faculty may only bind the University to agreements or commitments with outside parties on behalf of the University where they have been delegated authority to do so.

The Officers of the Corporation (as designated by the Board of Trustees) are responsible for providing the President with memoranda reasonably describing the authority they understand to have been delegated to them. Any Officers who, consistent with this Policy, further delegate their authority to other University staff or faculty, as necessary or desired, must do so in a clear and appropriate manner, and describe the nature and scope of such delegations in their memoranda. All Officers must assure that the President is provided, via the General Counsel, with a copy of their memorialized understanding of delegations they have received and made. They should periodically review these

¹ Two types of officers exist at Princeton University, per its bylaws and Board resolutions: "Academic Officers" and "Officers of the Corporation." This Policy uses the term "officers" to refer to both groups.

memorialized delegations, and annually certify to the President their continuing accuracy, through the General Counsel.

On the academic side of the University, the President, Provost and the Dean of the Faculty delegate administrative authority to the deans of schools and department chairs (who administratively oversee faculty members in their schools/departments), as well as to directors of centers/programs.² In turn, deans, chairs and directors of centers/programs delegate administrative authority to managers (or their equivalents). The Dean for Research has specific administrative oversight of organized research activities throughout the University, including related commitments (such as equipment purchases), and the acceptance and administration of institutional research grants and contracts.

III. COMMON UNIVERSITY AGREEMENTS AND COMMITMENTS

A. Purchases and Sales

The majority of agreements or commitments on the University's behalf result in the buying of goods and services, as well as (less frequently) the selling goods and services. As noted above in Section II, officers of the University have been delegated authority from the President to engage in these types of transactions with external parties, and may further delegate this authority, in order to efficiently manage the business in their areas of responsibilities.

This Policy does not replace other University policies; rather, it provides a general framework, anticipating that specific policies may provide more detailed guidance. For example, the authority to buy and pay for goods and services is conditional: the execution of purchases must comply with the Office of Finance and Treasury's policies.

A small number of administrative departments sell goods, services and/or access to campus facilities and activities as part of their inherent responsibilities. Examples of sales in this category are ticket sales by Athletics and University Services, fees collected by Conference & Event Services, and food sales by Dining Services. These units may develop specialized infrastructure to support their sales.

The authority to sell University goods and services, where such sales are incidental or ancillary to the mission of the academic or administrative departments, is conditioned on compliance with applicable Office of Finance and Treasury policies (or those of the Dean for Research where the incidental or ancillary sales relate to research) for the execution of the sales. Examples of sales in this category would be sales of music CDs, lab services, or t-shirts by an academic department, incidental sales to visitors by University Health Services, etc.

² Throughout this Policy, the term "centers/programs" is used to indicate all non-departmental academic entities, including institutes and councils.

B. Representative Binding Authority for Agreements and Commitments

Consistent with the University’s academic and management philosophy, the actual articulation of delegated authority may be more general than specific within various units of the institution. To aid employees, and outside parties with whom they interact, the University provides below a list of the authorized, responsible individuals for the most common types of University agreements or commitments with outside parties, including those which contemplate the completion of transactions pursuant to additional and more specific University policies, such as Finance and Treasury policies. The responsible individuals have the ultimate authority for binding the University to transactions or obligations, but they may further delegate authority, subject to the limitations outlined elsewhere in this Policy.

Type of transaction	Responsible Individuals
Affiliations or collaborations with other academic institutions	President, Provost
Athletics commitments , including games, etc.	Athletics Director
Facilities & Real Estate	
<ul style="list-style-type: none"> i. Construction, renovation and maintenance of all physical facilities, including architectural and engineering services ii. Purchases, leases and sales of real estate <ul style="list-style-type: none"> a. Lease, purchase or sale of residential real estate that is part of the University’s housing portfolio iii. Use of campus facilities by non-University groups³ <ul style="list-style-type: none"> a. Long-term use or lease of space on campus b. Short term use⁴ (conferences, events, etc.) c. Athletics facilities 	<ul style="list-style-type: none"> i. VP Facilities ii. President, Provost, EVP, VP Finance and Treasurer, and VP Facilities <ul style="list-style-type: none"> a. VP University Services iii. Provost <ul style="list-style-type: none"> a. Vice Provost for Space Programing and Planning, and VP Facilities b. VP University Services c. Director of Athletics

³ Priority for the use of University space is given first and foremost for purposes relating directly to the core missions of supporting teaching and research for students, faculty and staff of the University. The use of any University space by non-University entities is a secondary priority.

⁴ Department heads have authority to grant access to individual visitors on a case-by-case basis using the [Departmental Guest](#) process. Short term use, meaning less than two weeks, other than Departmental Guests, should flow through Conference & Event Services.

Gifts Proposals, acceptance, acknowledgements	VP Finance and Treasurer, VP Development, or Provost
Investment Matters , including the purchase and sale of marketable securities and real estate held for investment purposes	President of PRINCO, VP Finance and Treasurer
Personnel Matters: i. Collective bargaining agreements ii. Employee benefits	i. VP of HR ii. VP of HR or VP Finance and Treasurer
General Purchasing: Procurement of goods and services (via designation of purchasing processes & systems for execution of purchases, and designation of authorized purchasing agents) Specialized Purchasing: i. Works of art for the public collection of the University ⁵ ii. Audits and assurance services (excluding the University's annual financial audit); consulting services from the University's external audit firm iii. Books, periodicals and electronic resources for the University library system iv. Engagement of outside legal counsel v. Hiring of public relations companies by administrative units vi. Purchasing involving sponsored research funds vii. Engagement, for any other purpose, of the external consultant to the Compensation Committee of the University's Board of Trustees	VP Finance and Treasurer, and individuals authorized through the related policies i. Director, Art Museum ii. Chief Audit & Compliance Officer iii. University Librarian iv. General Counsel v. VP Public Affairs vi. Director, Office of Research and Project Administration vii. VP Human Resources
Rights-Granting⁶ Transactions i. Use of University's image for commercial purposes ii. Use of University's shield or seal iii. Use of University trademarks	i. VP for Public Affairs ii. Secretary of the University iii. VP for Public Affairs, EVP for implementation

⁵ In this context, the "public collection of the University" means those objects that are placed in public spaces (indoor or outdoor) on the University's campus.

⁶ Rights-granting transactions include transactions where the University either grants or receives rights, whether or not there is monetary compensation.

iv. Patents, Materials Transfer Agreements, etc.	iv. Dean for Research
v. Miscellaneous	v. Provost, EVP, or General Counsel, as appropriate

Sales of Goods or Services	
i. Selling goods and services that are ancillary to a department's mission	i. VP Finance and Treasurer
ii. Selling goods and services related to research that are ancillary to a department's mission	ii. Dean for Research
iii. Sales central to the mission of the department	iii. EVP or other officers, as appropriate

Sponsored Research , including without limitation proposals, agreements, sub-agreements, renewals; patents, licenses, and related transactions, and matters relating to the Plasma Physics Laboratory	Dean for Research
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IV. AUTHORITY THRESHOLDS

The University has established specific dollar limits applicable to University employees' authority to bind the institution to agreements and commitments, and to their further delegation of such authority. The President, Provost, Executive Vice President, Vice President for Finance and Treasurer or other appropriate Officers may provide authority to specific individual employees that exceed these thresholds. Requests for exceptions from other areas should be directed to the Executive Compliance Committee, via the General Counsel. Any authorization in excess of established thresholds should be in writing, and standing authorizations should be confirmed annually.

The limits are as follows:

Transaction levels	Authority
Transactions totaling up to \$25,000	Any University employee who is acting within the scope and limits of delegated authority, and pursuant to other applicable policies
Transactions totaling from \$25,001 - \$100,000 ⁷	Directors (incl. of Programs, Centers and Institutes) or equivalents Department Chairs
Transactions totaling from \$100,001 - \$500,000	Dean of SEAS Dean of WWS Dean of Architecture VP & Secretary VPs, Deans, and equivalent not specifically identified as

⁷ A "transaction" should be read to mean the aggregate value of the payments to be made for goods or services purchased under a single contract, or for a unit of time. Thus, if a payment for software will total \$150,000 for the initial license period, to be paid in three installments, authorization should be based on the \$150,000 total.

	having authority above \$500,000 Director of Art Museum University Librarian
Transactions totaling above \$500,001	President Provost Dean of Faculty EVP VP Development VP Facilities VP Finance and Treasurer VP Human Resources VP Information Technology VP University Services Dean for Research Director of ORPA General Counsel President of PRINCO

V. INTERNAL CONSULTATION PRIOR TO COMMITMENT

The University expects that an office or department will consult as follows before an individual binds the institution to certain types of commitments:

- Hiring of audit/accounting firms for non-audit projects should follow consultation with the Chief Audit and Compliance Officer and the Vice President for Finance and Treasurer.
- Hiring of search firms and human resources consulting firms should follow consultation with the Vice President for Human Resources.
- Institutional financial contributions to non-profit organizations, community groups and/or municipalities, including membership fees and other donations, should be consistent with institutional guidelines, protocols or objectives specified by the Provost and/or the Dean of the Faculty. Contributions to local groups should follow consultation with the Vice President of Public Affairs; other contributions may necessitate consultation with the General Counsel.
- Subvention payments should be consistent with institutional policies or objectives specified by the Dean of the Faculty, with unusual or exceptional agreements made following consultation with the Dean.
- Certifications of institutional compliance on behalf of the University should be done in consultation with the Chief Audit and Compliance Officer.
- Contemplated agreements with or on behalf of organizations that are related to the University, including supporting and affiliated organizations, should be discussed with the Office of the General Counsel.

- Contemplated agreements involving the hosting or storage of University data off-campus (e.g. cloud computing services) should be discussed with the Office of Information Technology or the Office of the General Counsel.

Where to Go for Help & Questions

On behalf of the Executive Compliance Committee, the Office of the General Counsel serves as a point of contact for individuals who have questions about the responsible office for a particular transaction, or other questions pertaining to this Policy. It will assist individuals in identifying the appropriate office to contact, and provide guidance on the procedure for obtaining approval for the transaction. Please address inquiries or requests for guidance to:

University Counsel Yoo-Kyeong Kudo
kudo@princeton.edu
(609) 258-7789