

Policy No. FIN 106

Contract Signature Authority Policy

Applies to: Applies to all employees of EWSHS seeking to approve a transaction.

References that apply to this policy: Listed below are some, but not all, applicable governing requirements. Note: Laws and rules may change over time and such changes may take precedence over this policy.

- RCW 39.26 – Procurement of Goods and Services
- DES Policy: DES-090-00 – Delegated Authority

Effective date: May 1, 2024

History: This policy updates FIN-106, dated November 4, 2020, which replaced and renumbered BP #143, dated February 1, 2017. BP #143 replaced HR # 207, originally enacted in August 2013.

Approved by: Approved by the **Eastern Washington State Historical Society (EWSHS)** Board of Trustees.

Purpose

EWSHS understands the importance of maintaining guidelines and procedures regarding the delegation of Signature Authority for Contracts in order to maintain sound business practices and to safeguard the assets of the institution. This policy seeks to set Signature Authority guidelines to efficiently execute Contracts on behalf of EWSHS.

Definitions

Contract - means a binding commitment by EWSHS involving the exchange of money or property, an obligation to perform services requiring payment or use of EWSHS resources, or the assumption of a liability (e.g., indebtedness).

Signature Authority - The authority granted by the EWSHS Board of Trustees (“Board”) to approve a Contract, including sending any written communication or signing any document, instrument, or agreement relating to such agreement that may be binding on EWSHS. Signature Authority arises from either the EWSHS Board’s granting of Signature Authority through this Policy or through separate authorization obtained through Board approval. Signature Authority may include authority exercised through the Executive Director through this Policy or separate authorization, or the Executive Director’s further written assignment of Signature Authority to appropriate staff in conformance with this Policy.

Delegated Authority – Authority granted by the Washington State Department of Enterprise Services (DES) for the state agency to enter into Contracts to purchase goods and services

Maximum Expenditure – The authority of EWSHS to enter into Contracts entailing financial obligations, as limited by its Delegated Authority from DES, outlined in Section IV. Dollar amounts apply to each Contract term or to each expenditure event.

Administrative Direction Employee – a term describing the level of supervision required by a given position and reflected in the employee’s position description. Administrative direction employees receive advice and assistance limited to the accomplishment of broad objectives and policies. This definition shall have the same meaning as that given by the State Human Resources Office.

General Direction Employee – a term describing the level of supervision required by a given position and reflected in the employee’s position description. General direction positions receive broad instruction with advice and assistance available at the request of the employee. This definition shall have the same meaning as that given by the State Human Resources Office.

Contract Requirements

- A. A Contract executed under this Policy shall not exceed the Maximum Expenditure limits of EWSHS’ Delegated Authority from DES unless appropriately authorized by DES. Expenditure shall not be divided into two or more smaller expenditures to circumvent the Policy.
- B. The maximum term for a Contract is five years, unless otherwise authorized by the EWSHS Board of Trustees.
- C. Any Contract EWSHS seeks to award to the same contractor or vendor who held the contract for the same or similar services during the previous term requires approval of the EWSHS Board of Trustees.
- D. All Contracts shall be signed and approved by the Executive Director or by appropriate staff with written assignment of Signature Authority in conformance with this Policy.

DES Delegation of Authority – Contract Limits

- A. DES delegates authority to state agencies to enter into Contracts for the purchase of goods and services. DES has delegated authority to EWSHS as follows:
 - **Direct Buy** (*Goods/Hard Costs*) - \$30,000 or less, excluding sales tax, without competition
 - **Commodities** (*Knowledge/Soft Goods*) - \$50,000 per purchase event
 - **Services** - \$50,000 per projected amount of initial contract term
 - **Information Technology** goods or services - \$75,000 per projected amount of initial contract term
 - **Traveling Exhibits** (traveling to EWSHS for exhibition) - \$450,000 per purchase event.

- B.** Signature Authority granted by the EWSHS Board of Trustees under the terms of this Policy conveys Board of Trustees authorization for the transaction. Regardless of Signature Authority conveyed by the Board, EWSHS shall not enter into Contracts that exceed the DES Maximum Expenditure limits outlined in Section 4.1 without receiving additional authorization from DES. EWSHS may receive additional delegated authority from the DES Director. Should DES update EWSHS' Delegated Authority from the amounts reflected above, the authorities then in place shall apply to this policy.
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Signature Authority Requirements

- A.** Prior to Contract finalization and execution, EWSHS shall ensure the following considerations and tasks are accomplished with oversight by and to the satisfaction of the individual exercising Signature Authority:
- Signature Authority has a complete understanding of what is being authorized;
 - The information and supporting documentation for the transaction is accurate and complete;
 - The transaction is allowable, reasonable, and justified;
 - There are adequate funds to cover the expense;
 - The funding source is appropriate for the expenditure; and
 - The vendor selection process is transparent and free from conflicts of interest.
 - For Contracts greater than \$30,000, the Contract has been reviewed by the assigned Assistant Attorney General.
 - For Contracts greater than \$30,000, the Board has been briefed during a properly noted Board meeting and voted to approve the requested Signature Authority for the transaction.
- B.** Any employee who has been granted Signature Authority must adhere to contract/procurement guidelines as established and maintained by DES as well as other internal EWSHS policies and procedures.
- C.** Those employees granted Signature Authority must complete required training approved by DES before developing, executing, or managing procurements or contracts.
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EWSHS Board – Signature Authority

- A.** The Board grants Contract Signature Authority to the Executive Director up to \$30,000, or as separately authorized by the Board. The Executive Director is authorized to execute Contracts and make binding commitments on behalf of EWSHS subject to the terms of this policy.

- B.** The Board further grants the Executive Director the ability to assign limited Signature Authority to appropriate EWSHS staff, subject to the terms of this policy.
- The Executive Director may assign limited Signature Authority to Administrative Direction employees up to \$20,000, or as separately authorized by the Board.
 - The Executive Director may assign limited Signature Authority to General Direction employees up to \$5,000, or as separately authorized by the Board.
 - To assign Signature Authority, the Executive Director shall execute the assignment in writing, naming the staff member or specific position and related limit. Such assignments will be based on the needs of EWSHS.
 - The Board shall be notified and have the opportunity to comment on such assignments on an annual basis.