

Policy for Signature Authority on Grants and Contracts

Purpose:

This policy outlines authority with regard to executing grants and contracts related to sponsored programs on behalf of Western Michigan University and protects Western Michigan University and our employees while maintaining compliance with the university's, state, federal, private, and other legislative regulations and requirements while performing research and services inherent in sponsored programs.

General Policy:

Most grants and all contracts and subcontracts issued to the University require signatures from both the sponsor and the University. In some cases the University signature will have been provided when the proposal was submitted. The proposal then becomes a part of the grant document either directly or by reference.

For a contract to have validity and enforceability, it must be signed by a person with specific statutory delegation to sign on behalf of the University (see Signature Authority below). Therefore, if a sponsored program award is NOT signed by an authorized University official, the contract, grant, agreement, proposal or application may be void and unenforceable.

Signature Authority Regarding Grant Proposals and Contracts Resulting from Grant Proposals:

Proposals – The Vice President for Research is authorized to sign grant proposals.

Contracts up to \$50,000 – The Vice President for Research is authorized to sign contracts that result from grant proposals up to and equal to \$50,000. In the absence of the Vice President for Research, these contracts can be signed by the Associate Vice President for Business and Finance.

Contracts over \$50,000 – The Associate Vice President for Business and Finance can sign contracts over \$50,000 that result from grant proposals. In his/her absence, these contracts can be signed by the Vice President for Business and Finance.

A Principal Investigator (PI), Project Director (PD), Department Head, or other faculty or staff employees of Western Michigan University is not authorized to and should never sign a sponsored program proposal, contract or grant on behalf of Western Michigan University. This policy does not preclude PIs, PDs, Department Heads, and other individuals from signing internal processing documents or the proposal or award if so called for by the funding agency, however, the proposal or award document **must also contain a University authorized signature**.

Potential Consequences for Unauthorized Signatures:

Any PI, PD, faculty or staff member who contemplates signing a research proposal or award on behalf of Western Michigan University without actual authority to do so may assume extensive personal legal liability. PIs, PDs, Department Heads, faculty and staff should remember the following potential consequences of signing without authority:

1. Because the individual does not have the signatory authority to bind Western Michigan University the university may not be bound by that agreement and or obligated to provide lab or office space, personnel, accounting, purchasing, or any other support needed to carry out the work described in the sponsored program.
2. If a Western Michigan University employee uses University facilities and personnel to conduct research or other sponsored activities not otherwise approved through proper University procedures, the employee may be subject to discipline including misappropriation of governmental property and/or resources.

3. Without an authorized signature, the individual who signed the agreement may be personally liable for performance of the agreement and responsible for adherence to all laws, rules and regulations relating to the agreement, including, but not limited to, the Internal Revenue Code and state tax laws. Personal responsibility may include withholding and/or reporting requirements on amounts expended as well as liability for income and self employment taxes on funding received.
4. Any University employee who signs a proposal or agreement without authority to do so may be subject to claims by the sponsor of the project or the University for fraud or misrepresentation if the employee led the sponsor to believe that he/she did indeed have the authority to sign on behalf of Western Michigan University.
5. The University and its employees are subject to requirements which govern intellectual property rights generated from a sponsored program (including those specified in the AAUP contract and in the Intellectual Property Policy). If the employee seeks to invent something independently, it is crucial to proceed in accordance with this policy. Signing an agreement without authority does not insulate the employee's intellectual property rights from these policies, which presume that Western Michigan University retains rights concerning any invention created in a University-related activity, University resources such as time, facilities, equipment or materials belongs to Western Michigan University.

Interpretation:

Questions or issues regarding the interpretation of this policy shall be directed to the Associate Vice President for Business and Finance.