



# TRANSACTIONAL AUTHORITY POLICY

The complete authority, direction and management of the affairs of the LSU Foundation (“Foundation”) and the control and disposition of its properties and funds is vested in its Board of Directors (“Board”). The President/Chief Executive Officer and other Foundation staff designated herein (collectively, “officers”) are authorized to enter into business transactions and execute contracts on behalf of the Foundation, within the limits established by this policy. Only authorized officers may contractually bind the Foundation, and execution of a contract without authority may result in personal liability.

As used in this policy, “contract” includes any business transaction or agreement, whether or not in writing, that creates a legal relationship or duty, including but not limited to delivery of goods or services, obligations to act or not act, assumption or waiver of responsibility or liability, and obligations to pay. Contracts include purchase orders and work orders, as well as more detailed formal contracts.

The Comprehensive Disbursements Policy should also be reviewed for additional restrictions and procedures that may pertain to expenditures for business transactions.

## I. DEFINITIONS

As used in this policy:

*CEO* – President and Chief Executive Officer.

*CFO* – Chief Financial Officer.

*AVPTM*– AVP of Talent Management and Facilities.

*VP/GC* – Vice President/General Counsel.

*Executive Officer* – CEO and directly reporting executive staff: CFO, VP/GC, AVPTM, Senior Vice President of Development, and AVP of Communications and Marketing (or functionally equivalent successors).

*Officer* – Executive Officer, or other Foundation staff authorized to enter into contracts (as defined above).

## II. CONTRACT PREREQUISITES

### A. Contracting officer's responsibilities –

Each officer executing a contract is responsible for exercising sound business judgment and ensuring:

- the officer has authority to execute the contract;
- appropriate Foundation staff have been consulted;
- availability of adequate funding from an appropriate source has been confirmed by the CFO or designee;
- there is no apparent conflict of interest or resolution of any such issue has been confirmed by the VP/GC; and
- the contract is supported by appropriate documentation.

### B. Contract form –

Contracts should be reasonably detailed considering the dollar amount involved and the complexity of the subject matter. For example, for a small retail procurement (as defined below) a receipt alone is generally sufficient; for a larger or more complex procurement, a purchase or work order defining the goods or services with a delivery and payment schedule is more appropriate; a services contract with multiple terms and conditions will require a more formal “legal” contract. The VP/GC will assist in review or drafting an appropriate form of contract.

All contracts exceeding \$5,000 require a written contract (a physical or electronic document describing the transaction and signed by the contracting parties), unless waived by the VP/GC (not waivable for personal service contracts with fees exceeding \$20,000). Written contracts may be in electronic form or executed online, provided the entire contract (including terms incorporated by reference to other documents or webpages) is preserved in the Foundation's contract files.

### C. Contract content –

At a minimum, contracts should include:

- Identification of the legal parties
- Clear description of the goods or scope of services, including any specific deliverables
- Delivery deadline/timeframe, place and manner (e.g., FOB vendor or Foundation, vendor installation, written report or in-person presentation)
- Cost:
  - fees/price
  - reimbursable expenses, if applicable
  - maximum cost, inclusive of reimbursable expenses
  - payment terms: due date, or schedule/method for determining incremental payments
- Reporting requirements for ongoing work

- Contract term, termination provisions, and any renewal options (automatic renewal provisions are disfavored)

D. Contract review –

1. The following must be submitted to the VP/GC for review prior to execution:
  - All contracts other than small retail procurements (as defined below), for determination of appropriate form and terms of contract.
  - Contracts with or payments to LSU employees (or their immediate family or associated businesses), for review of any Ethics Code and LSU/Foundation Uniform Affiliation Agreement (“UAA”) implications.
2. The following must be submitted to the CFO for review prior to execution:
  - All contracts except small retail procurements, for confirmation of availability of sufficient funding.
  - All contracts with, or payments to be made to, a person or entity located outside the U.S., for review of withholding and financial reporting requirements.

### III. CONTRACT AUTHORITY

A. Procurement of goods and services

As used in this policy, “procurement” means the acquisition of defined goods or services (other than personal services) at a stated price, including but not limited to purchase, rental and subscription agreements for supplies, materials, equipment, software, hardware and technology, and agreements for maintenance and repair services. Procurements generally do not create Foundation liability or financial obligation other than to pay for such goods or services.

1. Small retail procurement – A procurement not exceeding \$5,000, using a Foundation-issued credit card or to be paid from budgeted funds in the purchaser’s unit, may be made by:
  - Executive Officers
  - Foundation employees with supervisor approval as provided in the Comprehensive Disbursements Policy
2. All other procurements may be made by:
  - CFO or VP/GC – not exceeding \$50,000
  - CEO – not exceeding \$100,000
  - CEO with Executive Committee approval – up to \$1,000,000
  - CEO with Board approval – exceeding \$1,000,000

B. Personal services

As used in this policy, “personal services” means professional services (such as legal, accounting, architectural design), consulting services (such as expert analysis and advice,

management services, and government relations), or similar personal services rendered according to the contractor's methods and training and not subject to Foundation control except as to the result of the work.

Contracts for personal services must be reviewed by the VP/GC and may be executed by:

- CFO or VP/GC – not exceeding \$50,000
- CEO – not exceeding \$100,000
- CEO (or other designated officer) with Executive Committee approval - up to \$1,000,000
- CEO (or other designated officer) with Board approval – exceeding \$1,000,000

C. Gifts and grants

1. Gift agreements may be executed by the CEO or designee, subject to the Foundation's Gift Acceptance Policy and the UAA.
2. The CFO (or designated Gift Processing personnel) may accept cash or cash equivalent gifts made to existing accounts without additional purposing or restrictions, without execution of a gift agreement.
3. The CEO or designee may make application for grants and execute grant agreements.
4. Subject to the terms of any applicable donor agreement, at the request of a Dean (or equivalent campus unit head) the CFO may execute a Memorandum of Understanding with the Dean, transferring a designated amount of non-endowed funds to be held as quasi-endowed funds, providing account purposing, establishing respective grant obligations, or otherwise documenting administrative terms relating to funds held for the benefit of the campus unit.

D. Asset transactions

Ownership or other rights and interests in immovable or movable property may be acquired by purchase or donation, sold, donated, assigned, mortgaged, pledged, leased, or otherwise transferred or encumbered as follows:

1. Immovable property held for Foundation use or as an investment – by the CEO up to \$100,000, by the CEO with Executive Committee approval up to \$1,000,000, and by the CEO with Board approval if estimated value exceeds \$1,000,000, with any LSU approval required by the UAA.
2. Donated immovable property to be liquidated – by the CEO up to \$100,000, by the CEO with Executive Committee approval up to \$1,000,000, and by the CEO with Board approval if estimated value exceeds \$1,000,000.
3. Immovable or movable property acquired for LSU use or to be transferred to LSU – by the CEO at LSU request, with any LSU notice or approval required by the UAA.

4. Securities –

a. The CFO, Outsourced Non-Endowed Portfolio Manager, or Outsourced Endowment Manager are authorized to buy, sell, assign, and transfer investment securities in accordance with the Foundation’s Investment Policy.

b. The CFO or designated accounting personnel are authorized to liquidate donated securities within a reasonable timeframe, upon a price and terms reflecting an impartial market survey and in the best interests of the Foundation.

5. Other movable property, based on estimated value –

- CFO – not exceeding \$50,000
- CEO – not exceeding \$100,000
- CEO with Executive Committee approval – up to \$1,000,000
- CEO with Board approval – exceeding \$1,000,000

E. CFO matters

The CFO is authorized to perform all such acts as may be reasonably necessary to discharge the obligations and responsibilities imposed on or otherwise delegated to the CFO under policies, procedures and resolutions approved by the Board, or as customary in the ordinary course and scope of such position, including but not limited to:

- collect and receive funds due the Foundation;
- authorize the payment of debts incurred by the Foundation;
- establish, close and consolidate deposit, investment and other financial accounts with third parties and deposit, withdraw and transfer funds to and from such accounts; and
- execute all documents necessary to conduct the day-to-day financial operations of the Foundation, upon such terms as the CFO deems to be appropriate and in the best interests of the Foundation.

F. Legal matters

The VP/GC is authorized to perform all such acts as may be reasonably necessary to discharge the obligations and responsibilities imposed on or otherwise delegated to the VP/GC under policies, procedures and resolutions approved by the Board or as customary in the ordinary course and scope of such position, including but not limited to:

- execute documents and instruments necessary to the acceptance and administration of gifts, including releases of executors, administrators, and trustees;
- execute insurance applications, policies, riders and coverage waivers; and
- certify as authentic all acts and resolutions of the Board and its committees.

With regard to litigation or potential litigation, the CEO is authorized to direct the filing of pleadings or other documents in the investigation, prosecution or defense of claims and other actions with regard to judicial litigation, mediation or arbitration, and to settle all such matters. In furtherance of such matters, the VP/GC is authorized to execute pleadings, certifications, stipulations, releases and other related documents.

#### G. Human Resources matters

The AVPTM is authorized to perform all such acts as may be reasonably necessary to discharge the obligations and responsibilities imposed on or otherwise delegated to the AVPTM under policies, procedures and resolutions approved by the Board or as customary in the ordinary course and scope of such position, including but not limited to:

- approve leaves of absence;
- approve job titles and descriptions;
- classify employees as exempt or non-exempt under the Fair Labor Standards Act;
- make salary allocations between Foundation units, and effect agreed salary allocations between the Foundation and LSU units; and
- effect disciplinary actions other than termination.

The CEO is authorized to, and may delegate authority to the AVPTM to:

- make employment offers;
- hire;
- determine compensation and benefits;
- terminate; and
- execute severance agreements and settlements of employment claims.

All such actions will be coordinated and documented by the AVPTM.

#### H. Charitable solicitation registrations

The CEO, any Executive Officer, and the Director of Annual Giving (or functionally equivalent successor) are each authorized to execute charitable solicitation registrations and any other similar document legally required for engaging in fundraising. All such documents shall be filed with the CFO.

#### I. Other business transactions

All other contracts and documents necessary to the Foundation's ordinary course of business may be executed by the CEO, CFO, or VP/GC, subject to the dollar limits provided above for procurements.

#### J. Delegation of contract authority

In the absence of (or recusal by) an authorized officer, when contract execution cannot be delayed without potential detriment or financial loss to the Foundation, the absent (or recused) officer's authority may be exercised by the CEO or the Board Chairman.

### **IV. CONTRACT DOCUMENTATION**

The Foundation office or department initiating a contract shall be responsible for contract documentation, which should generally include, as applicable:

- summary of the contract purpose/rationale
- description of the vendor selection process
- proposals, bids, price quotes
- internal approvals
- LSU approvals
- complete executed contract (including exhibits, attachments and incorporated online terms and conditions).

The initiating office shall retain the contract documentation for its use in administering the contract and, except for small retail procurements, within 30 days of contract execution shall forward a copy to the VP/GC for archiving.

History:

Amended November 10, 2023

Amended February 3, 2023

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