



CHARLES R. DREW UNIVERSITY OF MEDICINE AND SCIENCE

Office of Sponsored Programs

Signature Authority on Grants and Contracts Policy

A Principal Investigator (PI)/Program Director (PD), Department Chair, Dean, or other University's employee should never sign a sponsored project proposal, contract or grant on behalf of the University unless they have been given actual authority to do so by someone with statutory authority to delegate such power to them. This policy specifically designates the Office of the Vice President for Research as the signatory authority on all contracts, grants, agreements and/or proposals and applications for sponsored projects. The Executive Vice President for Research has delegated this signatory authority to the Director of Sponsored Programs. While this policy does not preclude PI's, Department Chairs, Deans, and other individuals from signing internal processing documents, the Director of Sponsored Programs must sign actual sponsored project contracts and grants for the University.

Before an agreement can be enforced, it must be signed by a person with specific statutory authority to sign on behalf of the University. Authority must be **ACTUAL** authority and cannot be delegated unless the University allows such delegation. As described above, for research grants and contracts, this authority has been delegated to the Director of Sponsored Programs. Therefore, if a sponsored project proposal or award is NOT signed by the Director of Sponsored Programs, the Executive Vice President for Research, President or the Board of Trustees, the contract or grant is void and unenforceable against the University.

Key reasons behind the policies relating to signatory authority include:

- Protecting the University and individual University employees from legal liabilities;
- Maintaining University compliance with University, State, Federal, and private contract regulations and requirements while performing research and services inherent in sponsored projects.

Any Principal Investigator or other University employee who contemplates signing a research proposal or agreement on behalf of the University without actual authority to do so assumes extensive personal legal liability. The Principal Investigator or employee should remember the following potential consequences of signing without authority:

1. Because the individual does not have the signatory authority to bind the University to a contract, the University is not bound by that agreement and is not obligated to provide lab or office space, personnel, or any other support to the PI in carrying out the work described in the sponsored agreement.
2. If the 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 for misappropriation of governmental property and/or resources.
3. Without an authorized signature, only the individual who signed the agreement is personally liable for performance of the agreement and adherence to all of the laws, rules and regulations relating to the agreement, including, but not limited to, the Internal Revenue Code and state tax laws. If signed without authority, taxes may be imposed on the entire amount of research funding as the personal income of the individual.
4. A PI or other 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 PI led the sponsor to believe that he/she did indeed have the authority to sign on behalf of the University.

The professional reputation of a PI may suffer if a PI is required to go back to an organization after an unauthorized signature has been given and explain that the sponsor does not have a legally binding agreement with the University.