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|  <b>Prescott College</b> | <b>Policy Number:</b> 405                                                                                                                                                                                                        |                                         |
|                                                                                                           | <b>Policy Category:</b> <i>Business Office</i>                                                                                                                                                                                   |                                         |
|                                                                                                           | <b>Approval Authority</b>                                                                                                                                                                                                        |                                         |
|                                                                                                           | <b>Policy Summary:</b><br><br><i>This policy provides a summary of the transaction authority levels established by the College. Each employee is responsible for financial controls relevant to his/her role at the College.</i> |                                         |
|                                                                                                           | <b>Approval Date:</b><br>06/02/25                                                                                                                                                                                                | <b>Effective Date:</b><br>Upon Approval |
|                                                                                                           | <b>Policy Owner:</b><br><br><i>Vice President, Finance &amp; Administration</i>                                                                                                                                                  |                                         |
|                                                                                                           | <b>Scheduled for Review:</b><br><br><i>Spring 2030</i>                                                                                                                                                                           |                                         |

### Policy Statement

Certain limits are placed on the financial and contractual authority of individuals to conduct transactions with external parties on behalf of Prescott College. These transactions oblige the College to receive or spend funds, provide or receive services, and/or otherwise commit its resources. Individuals may not enter into transactions unless they have the appropriate level of authority.

The President's Authority Policy, approved by the Board of Trustees, authorizes the President to represent the College when entering transactions with external parties within certain limits. The President has further delegated transaction authority as presented in this policy. All employees who enter into external transactions on behalf of the College must comply with the conditions that are outlined below.

#### *Contracts, Affiliation Agreements and Memorandums of Understanding (MOU)*

All contracts and MOUs must be reviewed and signed by the President or the Vice President for Finance and Administration.

#### *IT Products*

All new IT products must go through review by the IT Steering Committee to ensure compatibility with existing products.

#### *Other External Transactions*

Budget managers have the authority to approve transactions within their normal budget.

#### *Leadership Council Recommendation*

All extraordinary expenditures or new expenditures require the recommendation of the Leadership Council. Additionally, all new grant applications must be reviewed/recommended by the Leadership Council before submittal.

**Reason for Policy**

To establish guidelines for external transactions.

**Responsibilities**

|                                         |                                          |
|-----------------------------------------|------------------------------------------|
| For following policy:                   | All employees                            |
| For enforcement of policy:              | Vice President, Finance & Administration |
| For oversight of policy:                | Vice President, Finance & Administration |
| For procedures implementing the policy: | Vice President, Finance & Administration |
| For notification:                       | Policy Librarian                         |

**Procedures****Accountability for Transactions**

The individual who approves any transaction which constitutes a commitment between the College and a non-college party is responsible and accountable for ensuring that:

- He or she had the authority to approve the transaction or execute a contract.
- Where required, institutional review and approval had been obtained before any commitment is made.
- The transaction conforms to college policies.
- An assessment has been made of the likely impact of the transaction on other elements of the College and the broader community; and appropriate consultation has taken place with any constituencies that might be impacted by the transaction or contract.
- Funds for the transaction have been allocated or are otherwise available within regularly approved budgets, special appropriations, or restricted or designated accounts.
- There is no real or apparent conflict of interest on the part of the approving individual or any other individual or organization involved in the transaction. Where real or apparent conflict of interest does exist, the issues are resolved prior to entering into the transaction or contract as provided for by college policy.
- The transaction complies with the procurement policy of the College.

**Revision History**