

	<b>1.3.5</b>	<b>CONTRACT SIGNING AND AUTHORIZATION POLICY</b>	Effective: 06/26 Revised: Reviewed/Approved by Bd. Of Dir.: 06/26  Teddi Hernandez, President/CEO
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## 1. Purpose

The purpose of this policy is to establish clear guidelines for who is authorized to sign contracts and other legally binding documents on behalf of Lakemary Center (LMC). This policy ensures that LMC maintains appropriate internal controls, mitigating risk and ensuring legal compliance in all agreements and contracts entered into by LMC.

## 2. Scope

This policy applies to all employees, officers, board members, and volunteers of LMC involved in the execution of contracts or other critical documents. It governs all types of agreements, including but not limited to:

- Service contracts
- Vendor agreements
- Business Associate Agreements (BAAs)
- Employment contracts
- Grant agreements
- Memorandums of Understanding (MOUs)
- Partnership and collaboration agreements
- Financial agreements (e.g., loans, leases)

## 3. Authorized Signers

Only individuals who have been expressly authorized by the Board of Directors, the President/Chief Executive Officer (CEO), or their designees, are permitted to sign contracts or legally binding documents on behalf of the organization.

The following positions are generally authorized to sign contracts:

- **President/CEO:** Authorized to sign contracts, agreements, and other documents in the regular course of business.
- **Chief Financial Officer (CFO):** Authorized to sign financial agreements, contracts related to the organization's budget, and banking documents.
- **Executive Board Chair:** Authorized to sign contracts when board-level approval is required, particularly for high-value contracts or strategic partnerships.

**Policy Reference:** None

**Procedure reference:** None

**Application:** All Services

- **Other Authorized Personnel:** Any additional staff members or contractors may be designated as authorized signers based on the approval of the President/CEO.

#### 4. Delegation of Signing Authority

In the event that an authorized signer is unavailable or unable to sign, the President/CEO may delegate signing authority to another authorized individual. Such delegations must be documented in writing, and the person receiving delegated authority must be informed of their responsibilities.

#### 5. Approval Process

Before any contract is signed, it must undergo a thorough review and approval process, which includes:

1. **Drafting or Review:** The relevant department or individual responsible for the contract will draft or review the document.
2. **Legal Review:** If necessary, legal counsel will review the document to ensure compliance with applicable laws and organizational policies.
3. **Internal Approval:** All contracts and documents must receive internal approval from relevant stakeholders. This could include senior management, the finance team, or others, depending on the nature of the document.
4. **Board Approval (if applicable):** For high-value contracts or agreements that could have a significant impact on the organization's operations, the Board of Directors must approve the contract before it can be signed.
5. **Signing:** Only authorized signers can execute the contract or document on behalf of LMC.

#### 6. Unauthorized Signing

Any contract or document signed by an unauthorized individual is not legally binding on the organization. Employees or volunteers who sign contracts or other important documents without proper authorization may be subject to disciplinary action, including termination of employment or contracts.

#### 7. Recordkeeping and Documentation

- **Document Retention:** A copy of all signed contracts and documents must be kept in the organization's records management system for future reference and audit purposes. Originals should be stored securely.
- **Tracking:** The Compliance Officer or designated administrative staff will maintain a log of all signed contracts, including the date, contract type, and authorized signatory.

#### 8. Special Considerations

**Policy Reference:** None

**Procedure reference:** None

**Application:** All Services

- **Electronic Signatures:** If electronic signatures are used, they must comply with applicable laws and be verified through an accepted digital signature platform. All electronic signatures should be treated with the same level of security and authenticity as physical signatures.
- **Emergency Situations:** In rare cases of urgency where an authorized signer is unavailable, temporary authorization may be granted in writing by the President/CEO or Executive Board Chair.

## 9. Enforcement

Compliance with this policy is mandatory for all staff, contractors, and volunteers involved in the signing of contracts and documents. Failure to adhere to this policy will result in corrective actions, which may include reprimands, suspension, or termination of employment or contracts, depending on the severity of the violation.

## 10. Verbal Contracts

While verbal contracts may be recognized under Kansas law, LMC strongly discourages the use of unwritten agreements due to the increased risk of misunderstanding, lack of enforceability, and the inability to maintain adequate documentation. To maintain legal and operational integrity, the following standards apply to all verbal agreements:

- **Authority to Enter Verbal Agreements:** Only individuals who are authorized under Section 3 of this policy to sign contracts on behalf of LMC may enter into any verbal agreement or understanding that could reasonably be interpreted as contractually binding.
- **Requirement for Written Confirmation:** Any verbal commitment or agreement must be promptly followed by written documentation in the form of a *Memorandum of Understanding (MOU)*, email confirmation, or draft contract. This documentation must clearly outline the agreed-upon terms, involved parties, and intended outcomes.
- **Review and Approval Process:** All written follow-up to a verbal agreement must undergo the same review and approval process outlined in Section 5 prior to any formal action or implementation. This includes legal review and internal approval where applicable.
- **Recordkeeping:** MOUs or written summaries of verbal agreements must be retained in the contract records system consistent with Section 7 of this policy.
- **Prohibition on Unauthorized Verbal Commitments:** Any employee, volunteer, or representative of LMC who is not expressly authorized to enter into contracts is prohibited from making verbal commitments on behalf of the organization. Such actions may result in disciplinary measures as outlined in Section 9.

## 11. Review and Updates

This policy will be reviewed on an annual basis to ensure it remains effective and aligned with any changes in organizational structure, legal requirements, or operational needs. Any updates or amendments to this policy will be communicated to all relevant parties.

**Policy Reference:** None

**Procedure reference:** None

**Application:** All Services