
II. COMMITMENT AND SIGNATURE AUTHORITY

A. DEFINITIONS

“To commit” or “to make commitments” is defined as legally binding the Corporation.

“Commitment extension” is defined as an increase in the financial commitment previously made.

“Memoranda of Agreement (MOA)” or “Memoranda of Understanding (MOU)” is a nonbinding agreement that provides the framework for collaboration between two or more parties on a common goal or set of goals to be achieved in the future. An MOU may serve as the precursor to one or more formal written contracts between the parties.

“Signature authority” refers to the authority provided pursuant to AURA Policy to either 1) commit the Corporation up to a specific dollar threshold, and/or 2) approve the use of funds from a specific account up to a specific dollar threshold.

B. POLICY

1. Introduction

AURA policy to delegate authority to commit or authority to approve commitment of the Corporation and to delegate corporate signature authority is set forth below. The individuals to whom authority is delegated in this policy should use their own judgment as to whether proposed work is consistent with the mission of AURA and its Centers.

- a. Center management, or the appropriate Center's Management Council, shall submit to the AURA President for review any proposed agreements that may result or appear to result in either a change to, or is inconsistent with, the mission or character of the AURA Center in advance of the approval process. This review is to ensure that there are no conflicts with the Corporate Charter along with other factors.
- b. Prior to making commitments, the Center Director or others with commitment authority, shall ensure that all documents associated with the commitment (e.g. contracts for execution) are approved by Central Administrative Services Procurement (for NSF-funded Centers) or by the Business Resource Center (for STScI). This approval is required to ensure compliance with laws, regulations, Uniform Guidance and AURA policies. Disagreements may arise between the Center Directors and their respective business organizations regarding proposed commitments and the associated levels of business risk acceptable to AURA. Such disagreements shall be escalated to the AURA President for final determination.
- c. Commitment authority provided by this policy excludes commitments related to staff appointments which is governed by AURA Policies, Section B: Personnel Policies and Procedures.
- d. Pursuant to Section VIII of AURA's bylaws, only individuals serving in the positions of AURA Chair, Vice Chair, President, Secretary, or Treasurer may sign documents requiring the signature of an Officer of the corporation.

2. Authority to Commit or to Approve Commitment of Contracts, Purchase Orders, Grants, Subcontracts and Sub-awards

- a. In the course of business, AURA will make commitments through Contracts, Purchase Orders, Grants, Subcontracts and Subawards to pay funds to outside organizations, companies, vendors, etc., in exchange for goods or services. Authority to commit or to approve commitment by AURA through such documents shall adhere to the following approval requirements:
 - 1) Commitments of \$1,000,000 or less, and within approved Program Plan limitations, and within contractual authority require only the Center Director approval. The Center Directors are authorized to delegate this authority within their respective Centers with such additional limitations as the Director may desire.
 - 2) Commitments of more than \$1,000,000 but less than \$3,000,000 require the approval of the AURA President on behalf of the Corporation. At his/her discretion, the President may require review and approval by a Center Management Council prior to final authorization. This authority may be delegated, and further sub-delegated, with such additional limitations as the President, or initial designee, may desire.
 - 3) Commitments of \$3,000,000 or more require approval of the Board of Directors (Board). If the request originates with an AURA Center, the commitment request shall be reviewed and approved by the Center's Management Council prior to submission to the Board. In special circumstances, and on a case-by-case basis, this authority may be delegated by the Board Chair to the AURA President.
- b. Signature authority to extend previously approved commitments and commitment extensions is governed by the same policy as indicated above under II.B.2.a. Amendments or modifications that result in commitments in an aggregate amount that surpasses the initial authority level shall require additional approval in compliance with the policy requirements as indicated above.
- c. Regardless of dollar value, authority to commit or to approve commitment of AURA to the purchase or sale of land is retained by the AURA Board. In special circumstances, and on a case by case basis, this authority may be delegated by the Board Chair to the AURA President.

3. Authority to Approve Proposals and Resultant Grants, Subgrants, Contracts or Subcontracts

- a. In the course of business, AURA may submit proposals which, upon execution, will commit AURA to meet performance obligations to outside funding agencies, granting organizations, etc., through Grants, Subgrants, Contracts and Subcontracts. Authority to commit AURA through such documents shall adhere to the following approval requirements:
 - 1) Proposals involving funding of \$1,000,000 or less require only the Center Director's or delegated designee's approval;

- 2) Proposals involving funding of more than \$1,000,000 but less than \$3,000,000 require the approval of the AURA President or delegated designee. At his/her discretion, the President may require review and approval by a Center Management Council prior to final authorization; and
 - 3) Proposals involving funding of \$3,000,000 or more require the approval of the AURA Board. The cognizant Center Management Council shall review and approve prior to submittal to the Board.
- b. Proposals to extend previously approved performance obligations under proposals and resultant grants, subgrants, contracts or subcontracts is governed by the policy and procedures as indicated above in II.B.3.a. Amendments or modifications that result in commitments in an aggregate amount that surpasses the initial authority level shall require additional approval in compliance with the policy requirements as indicated above.
 - c. The Board shall be informed of all proposals submitted by, and all subsequent contracts and cooperative agreements executed by, AURA that exceed \$1,000,000.

4. Memoranda of Agreement (MOA) or Memoranda of Understanding (MOU)

Memoranda of Agreement (MOA) or Memoranda of Understanding (MOU) between AURA (to include AURA Centers) and external organizations, will be approved and signed by the President or designee. The President will keep the AURA Board informed of the initiation, progress towards, and completion of such MOAs/MOUs.

5. Corporate Fee and Cost Recovery

- a. All proposals for new Grants, Cooperative Agreements, or Contracts, as permitted by regulation or law, shall include a line item for AURA Corporate Fee. The amount of Fee is subject to case by case consideration and is set by the Chief Financial Officer or Chief of Staff in consultation with the President.
- b. All proposals for new Grants, Cooperative Agreements, or Contracts shall include a line item for AURA Corporate cost recovery, referred to as F&A. The F&A rate is expressed as a percentage of all costs estimated to be incurred in a given fiscal year and is subject to periodic review with revisions to be published as written directives from the Chief Financial Officer.

6. Authority to Make Payments

- a. Corporate Officers designated by the Board may open or become authorized signers on AURA accounts with banking and other financial institutions. Such designated Corporate Officers may establish accounts with FDIC-insured banks and credit card companies doing business in Arizona, Colorado, Hawaii, Maryland, and Washington D.C.
- b. The AURA President, or his designee, is authorized to execute any application forms requested by authorized financial institutions for the

issuance of a sufficient number of credit cards as deemed expedient for the use of officers, employees and/or agents of AURA .

- c. AURA payments may only be processed through AURA's Corporate Central Administrative Services Division or the Business Resource Center of STScl as delegated by the relevant Corporate Officers designated by the Board.

C. PROCEDURES

1. Contracts, Purchase Orders, Grants, Subcontracts and Sub-awards subject to Article II.B.2.

- a. Subsequent to obtaining the internal AURA approvals required by Article II.B.2, any commitment requiring Funding Agency written approval or consent shall be sent directly to the Funding Agency by the Center (for STScl) or by Central Administrative Services Procurement (for NSF-funded Centers).
- b. After obtaining required internal AURA approval and Funding Agency approval, the Center Director or delegated designee or the AURA CAS Procurement Manager or delegated designee, may sign for AURA in accordance with the policy in section II.B.

2. Proposals and resultant grants or contracts subject to Article II.B.3:

- a. All proposals requiring AURA Board approval will first be submitted to the appropriate Center's Management Council for review and approval.
- b. Proposals approved through the review and approval policy required in Article II.B above may be negotiated by the Center Director or delegated designee. All negotiated modifications or amendments thereto may be executed by the Center Director or delegated designee in any amount not greater than \$1,000,000. For those instruments which are in amounts greater than \$1,000,000, execution is required by the President or delegated designee on behalf of AURA. Authority for Center Directors and delegated designees to negotiate is subject to the following:
 - 1) Negotiations do not result in changes which are contrary to AURA policies; and
 - 2) Negotiations of any proposal, which required prior AURA approval, do not result in any substantive changes to the science tasks to be undertaken.
 - 3) Negotiations do not result in a reduction in the AURA management fee associated with the proposal without prior concurrence of the AURA President or designee.
 - 4) Proposal negotiation may not modify either the F&A rate or Fee amount without the approval of the AURA President or designee;

- c. Proposals for contracts with commercial or other non-U.S. Government organizations contemplating receipt of payments in excess of expected costs, or on other-than-cost-reimbursement basis, shall be referred to the Corporate Office for guidance prior to submittal.

3. Payments

- a. The Central Administrative Services division of AURA and Business Resource Center of STScl are authorized to use the facsimile signature of the AURA President for signing checks for less than one million dollars to pay AURA employees and creditors.
- b. Checks in the amount of \$1,000,000, but less than \$3,000,000 must be signed with an original signature by a Corporate Office authorized by the Board of Directors (currently the Chief Financial Officer and the President). Checks of \$3,000,000 dollars or greater must be signed with an original signature by the President.
- c. Wire transfers greater than \$1,000,000, but less than \$3,000,000 must be authorized via email by a Corporate Office authorized by the Board of Directors (currently the Chief Financial Officer and the President) or the President's designee. Wire Transfers of \$3,000,000 or greater must be authorized via email by the President or the President's designee.

Policy Title and Number

C. II. COMMITMENT AND SIGNATURE AUTHORITY POLICY

Name of Policy Owner: AURA Corporate Office

Policy History: Previous versions – March 2008, March 2000

Current Policy Approved By: AURA Regulatory Compliance Policy Committee

Date Policy Approved: March 27, 2019

Effective Date of Policy: March 27, 2019

Description of Revisions: Policy reorganized and clarified; added purchase or sale of land needs Board approval; an "Introduction" section has been added to section II B Policy; some sections previously listed as procedures have been reclassified as policies; a definition of "Memoranda of Agreement" has been added; Section II C 2 e which previously described the format for all proposals submitted to the Board for approval has been deleted as the requirements from this section have been placed in a separate operational policy.

Version # of Policy: 3.0

Next Scheduled Review Date: March 27, 2024