

Administrative Regulation — Contracting Authority, Procurement and Disposal of University Property and Other Delegated Authority

As part of its overall delegation of administrative authority, as set out in *Governing Regulation I — Declaration of Principles*, the Board of Trustees authorizes the President to enter into written agreements and authorize payments on behalf of the University. The University of Kentucky must comply with the Kentucky Revised Statutes (KRS) concerning procurement and disposal of property.¹ Consistent with KRS, the President delegates authority to administrative officers to enter into agreements and authorize payments and to dispose of property on behalf of the University in the manner described below.

This *Administrative Regulation* governs all University colleges, departments and affiliated corporations.

I. Definitions

A. Agreements and Contracts

An agreement or contract means a written arrangement between two or more parties creating obligations that are enforceable or otherwise recognizable by law. A contract may exist in many forms, including, but not limited to, a letter, purchase order, memorandum of understanding, memorandum of agreement, lease, email, online agreement or other.

B. Fiscal Stewardship

Fiscal stewardship means the responsible and ethical use of University financial resources.

C. Personal Property

Personal property means all items of moveable or fixed equipment and supplies that the University and its affiliated corporations own.

D. Procurement

Procurement means the purchasing, buying, renting, leasing or otherwise obtaining of any supplies, services or equipment.

E. Transaction Documents

Transaction documents include all methods to record the business activities of the University in its accounting records. Examples include purchase requisitions,

purchase orders, payment request documents (PRDs), procurement card reports, travel vouchers and payroll authorization records (PARs).

II. Policies on Contractual Authority and Procurement

A. Contract and Financial Transaction Approval Authority

The President delegates authority to enter agreements and contracts to certain administrative officers of the University, as outlined in this regulation. Only the President and those officers with delegated authority may commit and bind the University and its affiliated corporations contractually.

In making these delegations, the President establishes minimum levels of responsibility for approval of transaction documents and contracts. All general and specific delegations of authority under this regulation will be consistent with these minimum levels of responsibility.

The President or delegated officials may delegate signatory or approval authority below the minimum levels of responsibility established through this regulation, but the delegated official remains fully responsible for all transactions executed under the delegation.

Delegation for agreements and contract authority will abide by the principles below:

- The President or the Executive Vice President for Finance and Administration (EVPFA) will approve all agreements and contracts involving the University, except as otherwise provided in this regulation.
- The President, through the EVPFA, delegates the University's Chief Procurement Officer to receive and process requisitions and other transaction documents for all agreements and contracts involving procurement, unless otherwise delegated. All agreements and contracts involving procurement will comply with state law.² The Chief Procurement Officer will establish procurement processes for the University and its affiliated corporations.
- The President may delegate specific authority for approving contracts for certain services and activities to other appropriate members of the President's Cabinet. This delegation will be provided in writing and distributed to administrative officials.
- The General Counsel will review all agreements and contracts prior to execution. Blanket approval may be given for certain form contracts (e.g., student housing rental agreements, student loan agreements and routine procurement contracts) at the discretion of the General Counsel.

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- Relevant parties will consult the Vice President for Human Resources/Chief Human Resources Officer and the General Counsel on all agreements and contracts related to employment and employees. Relevant parties will consult Human Resources on all other transactions related to employment and employees.
- The General Counsel is the agent of the University for the service of all legal processes.
- The EVPFA is responsible for final review and approval of all payments as to propriety, source of funds, appropriateness of documentation and adherence to University policies and regulations.
- All delegations of signatory or approval authority will be in writing.

Additional guidance, policies and procedures regarding the limitations and thresholds for the delegation of approvals will be set forth separately, through a *Business Procedures Manual* or similar documentation.

B. Fiscal Stewardship, Competitive Bidding and Ethical Considerations

All University and affiliated corporation employees who engage in purchasing within their official or delegated duties will practice fiscal stewardship when engaging in purchases. The University's Chief Procurement Officer will establish fiscal stewardship procedures, including the roles and responsibilities of administrative officers and affiliated corporations.

Following the guidelines of fiscal stewardship, it is the responsibility of all units to engage in a competitive procurement process, as determined by specific provisions and requirements found in KRS. The Chief Procurement Officer is responsible for establishing specific policies, procedures and thresholds for individual units.

When acting as a purchasing agent of the University or its affiliated corporations, all relevant parties will assess and disclose potential conflicts of interest when applicable. Consistent with University employee duties to hold themselves to the highest standards of integrity and excellence, any position in which an employee can influence the result of a third-party agreement constitutes a conflict of interest. The Chief Procurement Officer, or an authorized delegate, will reassign, abandon or waive the procurement in accordance with state law.³

C. Information Technology Procurement

Procurement of information technology is the responsibility of the Chief Procurement Officer. Selection and management of information technology is the responsibility of Information Technology Services (ITS). ITS will coordinate procurement activity with

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Procurement Services per this *Administrative Regulation*. See *Administrative Regulation — Use of University Technology Resources and Information Security and Privacy* for additional information on selection and management of information technology.

The Chief Procurement Officer's authority includes:

- Procurement of IT goods and services approved by ITS.
- Responsibility for the functional operation of electronic procurement systems, such as vendor and material master data files and electronic product catalogs.

The Chief Procurement Officer and ITS may agree to delegate approval of smaller threshold purchases in writing.

D. Compliance Requirements

Failure to follow policies and procedures or any action that goes beyond delegated scope of authority without written permission is subject to disciplinary action, up to and including termination under *Administrative Regulation — Employee Code* or other University policies.

III. Policy on Disposal of Property

University units may sell, trade in or otherwise dispose of surplus property of the University and its affiliated corporations in accordance with state law and the processes for designation and disposal of surplus personal property approved by the Board of Trustees as set out in *Governing Regulation II — The Board of Trustees*.⁴ Processes approved by the Board will specify which University officials have responsibility for carrying out those responsibilities, depending on the nature of the property.

Express approval of the Board is required for each property disposition except in those specific cases where:

- The University is required to transfer the property by the terms of a sponsor's regulations or conditions; or
- A grant is contracted or otherwise transferred to another organization under circumstances where the granting agency expects that the personal property will be transferred with the grant.

Procedures regarding disposal of property, including hazardous waste and grant related items, will be set forth separately, through a *Business Procedures Manual* or similar documentation.

IV. Other Delegated Authority

A. University-Related Travel

The President has final authority on University travel. The President may designate units to develop policies and procedures in compliance with federal, state and University regulations.

¹ [Kentucky Model Procurement Code, KRS 45A.005 et seq.](#)

² *Id.*

³ *Id.*

⁴ [KRS § 164A.575](#)