

## **Contract Negotiation and Signing Authority Policy**

Approved by the Board of Directors April 20, 2026.

The purpose of this policy is to define who has authority to enter binding contracts on behalf of the Friends of the Santa Cruz Public Libraries (Friends), and to ensure that contractual obligations are reviewed, approved and executed in a manner that protects the Friends financial and legal interests.

### **Contract Negotiation**

Only the Executive Director (ED) and/or President of the Friends has the authority to negotiate binding contracts on behalf of the Friends organization and to enter into, unless the Board of Directors (Board) expressly grants written authorization for a specific contract to another Executive Committee member. The written authorization must be documented in the Board official minutes.

### **Levels of Signing Authority**

**Board President:** The Board President is authorized to sign contracts a) involving long-term or high-liability commitments, real estate or insurance, and b) any agreement requiring Board approval. The President signs after the Board votes unless delegated authority is explicitly granted by the Board.

**Executive Director (ED):** The ED is authorized to negotiate and execute contracts on behalf of the Friends that are within the scope of, and funded by, the annual budget approved by the Board. Without Board approval, the ED may obligate the Friends for additional expenses over and above budgeted expenses up to 10% for any budget line-item but not to exceed a total amount of \$10,000 per budget cycle. This amount may be adjusted from time to time by Board resolution and said approved resolution will be recorded in the Board meeting minutes.

These contracts may include but are not limited to event agreements, vendor/service agreements, independent contractor contracts, rental agreements and other standard operational commitments.

**Board Approval:** Approval by a majority of the Board, at a meeting where a quorum is present, is required for contracts over \$10,000, and any material contract such as multi-year obligations or real estate transactions, or any matter the ED or President believes warrants Board review.

**Treasurer:** Signs financial documents and bank/investment forms and is authorized to sign organizational contracts when specifically delegated by the Board.

Deputized Signatories: If the primary authorized signers are unavailable the following officers are deputized to sign contracts in this order: President, Treasurer, Vice President, and Secretary.

No other Board member, Committee member, staff member or volunteer may sign any contract unless delegated authority in writing by the ED or Board President and the contract falls within the ED or President's signing authority.

#### Documentation

Executed Board-approved contracts are reported at the next scheduled Board meeting.

All signed contracts will be stored in the Friends official contract repository (currently Google Board files). Executed contracts will be retained in accordance with the Friends Records Retention Policy as found in the Policy and Procedure Manual.

#### Revocation of Authority and Policy Review

The Board of Directors by majority vote may revoke signing authority at any time and said Revocation must be in writing and recorded in the Board minutes.

This policy will be reviewed in conjunction with reviews of the Policy and Procedures Manual.

Approved by the Board of Directors April 20, 2026 and recorded in the minutes.

Signed:

Board President: \_\_\_\_\_  \_\_\_\_\_ Date: 04.23.2026 \_\_\_\_\_

Executive Director: \_\_\_\_\_  \_\_\_\_\_ Date: 04.23.2026 \_\_\_\_\_