



SACRAMENTO
STATE

BUSINESS MATTERS @ SAC STATE

TOPIC: Understanding Who May Obligate the University

DATE: Wednesday, August 19, 2026

FROM: Financial Services

What Does It Mean to “Obligate the University”?

Obligating the University means making a commitment that creates—or could reasonably be understood to create—a financial, contractual, legal, or operational responsibility for Sacramento State.

An obligation may arise from more than a formal contract. Examples include:

- Agreeing to purchase or use a product or service
- Promising payment or future business
- Accepting terms and conditions
- Committing University resources, space, personnel, or funding
- Agreeing to promote or endorse a person, product, or service
- Signing a contract, agreement, memorandum of understanding (MOU), quote, proposal, order form, or similar document
- Communicating approval or acceptance by email or in conversation

If your department is considering any activity that may create a commitment, please contact Procurement & Contract Services before making promises, accepting terms, authorizing work, or allowing a vendor to provide goods or services.

Who Has Authority to Obligate the University?

Only a limited number of individuals have delegated authority to obligate Sacramento State. These include:

- The President
- The Chief Financial Officer (CFO)
- The Director of Procurement & Contract Services
- Designated members of the Procurement & Contract Services staff

Only individuals with the appropriate delegated authority may sign contracts, agreements, MOUs, or other documents on behalf of the University.

Who Does Not Have This Authority?

Everyone not listed above is excluded from this authority. This includes:

- Vice presidents and associate vice presidents
- Deans and department chairs
- Faculty
- Managers and directors
- Administrative and other staff

A person's position, budget authority, or responsibility for a department does not automatically authorize them to enter into agreements or make commitments on behalf of the University.

Why This Matters

CSU agreements must be documented in writing and signed by an individual with the appropriate authority. An unauthorized signature or commitment does not automatically bind Sacramento State. **The University may decline to accept the obligation, and the individual who made or signed the commitment may be held personally responsible.**

Verbal discussions and informal emails can also create complications. A vendor may interpret a casual statement as authorization to begin work or as a promise of future business. Certain communications could also affect the University's ability to conduct a fair and competitive procurement process.

To help avoid misunderstandings:

- Do not sign vendor documents or accept online terms and conditions.
- Do not tell a vendor to begin work or provide goods or services.
- Do not promise that a vendor will receive a contract or future business.
- Do not commit University funds, resources, or personnel.
- Refer proposed agreements and commitments to Procurement & Contract Services for review.

When in Doubt, Please Ask

If you are unsure whether a conversation, email, document, online acceptance, or other activity could obligate the University, contact Procurement & Contract Services at aba-fins-procure@csus.edu before proceeding.

We are happy to review the situation, provide guidance, and help your department move forward appropriately.