



## ***Business Matters @ Sac State***

### **TOPIC: Obligating the University Reminder**

DATE: September 4, 2025

TO: Campus Business Partners, Deans, Associate Deans, Department Chairs, Directors, and Managers

FROM: Sebastian Head, Director & Chief Procurement Officer, Procurement & Contract Services

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#### What is "Obligating the University"?

According to Google, this term means: Legally binding the organization to certain responsibilities or commitments, often through contracts or agreements. These obligations can be financial, contractual, or operational, and they define the duties and expectations that the organization must fulfill.

These activities could include a promise, explicit or implied, to use a service or product, to promote a person, product, or service, to pay an entity for a service or product, etc. If your department needs to engage in these activities, please have a conversation with Procurement *before* making any commitments.

The CSU system requires all obligations to be written and signed. Only someone with the authority to obligate the university is allowed to sign any agreement. However, if an unauthorized individual signs an agreement, there *is* an obligation. Sacramento State can deny to accept that obligation and it would fall to the individual(s) who signed the agreement to fulfill that obligation.

#### Who Has Authority to Obligate the University?

There are only a handful of individuals on campus who have the authority to obligate Sac State. This includes the President, the Chief Financial Officer (CFO), the Director of Procurement & Contract Services, and certain members of the Procurement & Contracts staff. No one else has the authority to obligate the university. This means that only these

individuals can sign a contract, agreement, MOU, etc.

### Who Does Not Have This Authority?

Everyone not listed above is excluded from this authority. This includes Deans, Chairs, Faculty, Managers, Directors, and staff. Other than the president, no one on campus has this authority outside of ABA.

Even if a verbal agreement isn't legally binding, it can still open the door to potential legal issues. Casual conversations with vendors might be interpreted as a promise of future business, which could unintentionally disqualify them from being considered down the line. To avoid misunderstandings or complications, please steer clear of making verbal commitments or saying anything that could be taken as an agreement.

If you are unsure if a practice, discussion, email communication, or other activity might constitute an obligation, please connect with Procurement: [aba-fins-procure@csus.edu](mailto:aba-fins-procure@csus.edu). We are happy to assist and advise.