Policy Statement

This document establishes the University-wide Policy for Review, Approval and Signing of Contracts on behalf of the University (hereinafter “Policy”).

Reasons for the Policy: This Policy is intended to establish University-wide controls for Contract review, approval and signing, in order to minimize risk to the University and ensure compliance with all applicable laws and University policies.

Primary Guidance to which this Policy Responds

The Board of Regents has the authority to contractually bind the University, and has delegated that authority to certain officers and administrators to allow for the efficient operation of the University.

Who is Governed by this Policy

All staff and faculty must comply with this Policy.

Violations of this Policy:

Violation of this Policy may result in any level of discipline up to and including termination, depending upon the nature, degree and circumstances of the violation.

Definitions

"Contract" means any document intended to set forth an agreement or arrangement between the University and an outside party. A document need not be labeled "contract" to be covered by this Policy. A document labeled "agreement," "memorandum of understanding" or “MOU,” "lease," "license," "letter of intent," and even a letter, or any other similar written item indicating or implying a legally enforceable document, is considered a Contract for the purposes of this Policy if it describes an obligation of the University, either to do or not do something or to pay money. (Any question as to whether a document is considered a Contract for the purposes of this Policy should be referred to the Office of General Counsel.)

"Significant Commitment" means a commitment that meets any one of the following criteria:

1. Involves a significant amount or expenditure of money, such as an expenditure which will exceed ten percent (10%) of the applicable budget;
2. Requires approval of the Board of Regents or a committee thereof;
3. Involves the use of the University’s name or image by another entity;
4. May generate significant positive or negative media coverage or publicity, internally or externally;
5. May result in unusual or significant risk or liability for the University;
6. Involves a joint venture with another entity or institution, profit or non-profit, including academic entities, or the creation of a subsidiary or other type of controlled entity; or
7. Involves international or out of state operations.

Contact

Title: General Counsel
Department: Office of General Counsel
Phone Number: 860-768-4275

Related Documents, Forms and Tools

The following related documents, which may be revised from time to time, can be obtained from the Office of General Counsel:

1. Chart concerning Contract Review, Approval and Signing;
2. Contract Review Check-list;
3. Standard Terms and Conditions that should and should not be included in Contracts;
4. Standard Form Contracts pre-approved by the Office of General Counsel.

Policy Web Address

TBD

Related Policies/Guidelines

TBD

Procedures for Implementing the Policy

I. Contract Review and Approval
   A. Anyone proposing a Contract, as defined above, or signing a Contract on behalf of the University, must:
      a. review the Contract to ensure that it is in the best interest of the University and consistent with the University’s mission, values and policies;
      b. read and understand¹ the terms of the Contract;
      c. assure compliance with any University policies that are relevant to the Contract;
      d. confirm that the Contract terms and conditions are fair and reasonable for the University; and
      e. ensure that the Contract has been reviewed and approved by the appropriate University personnel as set forth in this Policy and the Chart maintained by the Office of General Counsel for Contract Review, Approval and Signing.

¹ Contracts often include terms and conditions that may seem unimportant or insignificant, but may have significant legal impact or meaning. Anyone signing a Contract should consult with the Office of General Counsel if unsure about the meaning of any terms, conditions or language in a Contract.
B. Anyone that initiates or becomes involved in a potential Significant Commitment, as defined above, on behalf of the University should report the potential Significant Commitment to appropriate senior leadership and the Office of General Counsel before preparing a memorandum of understanding, letter of intent or draft Contract.

C. All Contracts must be reviewed and approved by the Office of General Counsel before they are signed, unless they are in a form previously approved or provided by the Office of General Counsel, and no changes have been made to the essential terms and conditions of the pre-approved form.
   a. The Office of General Counsel is responsible for reviewing of legal terms only, and is not responsible for reviewing business terms or the decision to enter into the Contract.
   b. Contracts presented to the Office of General Counsel for review and approval, or to the appropriate signatory for execution, must be accompanied by a Contract Check-list,\(^2\) as well as all documents referenced in the Contract (including but not limited to exhibits, appendices, requests for proposal and responses, descriptions of work or services, policies and procedures, insurance certificates).

II. Contract Signing
A. University employees may sign Contracts on behalf of the University only if they have authority to sign as expressly delegated by the Board of Regents ("Board") or sub-delegated in writing by those so authorized to do so by the Board.
   a. A copy of all delegations, sub-delegations, or revocations of delegations of authority to approve and sign Contracts must be provided to the Office of General Counsel to be effective and honored by the University.
   b. Any employee who has a conflict of interest with respect to a Contract does not have authority to sign the Contract, regardless of whether a delegation exists, and should not be involved in the Contract approval process.

B. Anyone who signs a Contract on behalf of the University without authority may be subject to disciplinary action up to and including termination.
   a. Signing a contract without authority in some cases may result in personal liability for the contractual obligations.
   b. The University will not be bound by any Contract signed by an individual without signatory authority, unless a University Officer subsequently agrees that the University will honor the Contract.

C. All Contracts must be in writing and signed by the appropriate University personnel (see Contract Review, Approval and Signing Chart maintained by the Office of General Counsel for guidance). No contract will bind the University unless in writing and signed according to this Policy.

D. This Policy applies equally to amendments and terminations of Contracts.

This Policy supersedes any conflicting practice, policy, delegations or guidelines.

\(^2\) The Office of General Counsel maintains a Contract Check-list and Memorandum of Standard Terms and Conditions that should and should not be included in all Contracts. The individual presenting the Contract for approval and signature must make sure the Contract includes any other relevant and important terms and conditions which may be appropriate depending on the nature of the transaction.
Responsibilities
The Office of General Counsel is responsible for reviewing legal terms only; the individual signing the Contract is responsible for reviewing business terms and the decision of whether to enter into the Contract.

Training and Education
Not Applicable

Effective Date
April 2, 2017