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## Contract Review and Approval Procedure 10-204

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**APPROVAL:** *Signature on file with HR*

**DATE:** March 23, 2016

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### PURPOSE

This general order defines general parameters through which an A.T. Still University of Health Sciences contract may be created, the necessary administrative review process, and designates who, within the University, is authorized to sign contracts on behalf of the University.

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### POLICY

- A. For purposes of this policy, a "University contract" is defined as an agreement between two (2) or more parties, one of which is the University or any of its schools or colleges, intended to have legal effect. There must be a common understanding among the parties as to essential terms, there must be mutual obligations, and there must be "legal considerations," meaning something of value is exchanged.
1. Examples of University contracts include:
    - a. Agreements for purchase or rental of goods or services.
    - b. Nondisclosure agreements.
    - c. Agreements setting terms for acceptance for gifts.
    - d. Sale, lease, or donation of University goods or services.
    - e. Affiliation agreements.
    - f. Employment agreements.
    - g. Liability waivers.
    - h. Settlement of disputes.
    - i. Licenses.
    - j. Memoranda/letters of understanding or cooperation.
    - k. Contracts with hotels, convention centers, or other facilities which require a written agreement.
    - l. Instructional agreements.
    - m. Assignment of the right of a person, group, or agency to use the University's name, logo, or resources.
  2. The above list is not all inclusive. While acting in the scope of employment, if one enters into an agreement which requires legal considerations, it is best to presume it is a University contract.
- B. Administrative review
1. Persons wishing to enter into contract negotiations such as those described above, must have the cooperation and approval of any school, college, or department which may be directly or indirectly implicated in performance of the contract (i.e., financial considerations, computer or telecommunications considerations, space considerations, etc.).
  2. All University contracts prior to the execution thereof shall be approved as to legal form and validity by ATSU's general counsel; provided such approval shall not be required with respect to individual contracts or extensions or renewals thereof if the form has prior approval by the University general counsel as a standard and contains no substantive changes or additions other than those pertaining solely to the description of the project, the monetary amount involved, and the term of the contract or extension.
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More specifically, the party initiating the contract for the University is responsible for reading the contract entirely and determining:

- a. Contract language accurately reflects the current state of negotiations.
  - b. Contract meets programmatic and university mission requirements.
  - c. Contract is in the best interests of the university.
  - d. He/she can ensure compliance with obligations it places on the university.
  - e. Contract is sufficiently clear and consistent.
3. After being satisfied with the form and content of the contract, the initiating employee must submit the contract and the contract routing cover sheet (Appendix A) to the office of the University general counsel for administrative review. The office of the University general counsel will review each contract to ensure:
- a. Contract does not contain any prohibited clauses.
  - b. Contract is consistent with federal and/or state laws.
  - c. Contract is consistent with the University's rules and regulations.
  - d. Risk management concerns have been reasonably addressed.
  - e. Contract is consistent with any predecessor documents.

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## **RESPONSIBILITY**

- A. The office of the University general counsel shall determine what other institutional reviews are necessary prior to submission of the contract for signature and will coordinate obtaining appropriate reviews.
- B. Authority for contract negotiations and signature approval should include persons in whose school, college, or department lays responsibility for performance of any part of the agreement.
- C. As a general rule, only the president, vice president for finance and administration/CFO, and senior vice president-academic affairs have authority to contract for the University.
- D. Anyone else who enters into a contract that purports to bind the University or its schools or colleges is acting without authority and could be held personally liable for the contract.