



Contract Review Policy

ADM 20.0

Purchasing/Business Affairs

Policy Type: Administrative
Applies to: Faculty, staff

POLICY DATES

Issued: 2017
Last Revised: 2017
Reviewed: March 2019

A contract is a legally binding agreement between the University of Mount Union (University) and an outside company, vendor, or individual. For normal, everyday transactions, a University-issued purchase order will serve as the standard contract between Mount Union and the vendor. However, many products and services may require additional paperwork and/or added legal language that needs reviewed and agreed upon before we can “sign off” and work can begin. This policy will help serve as a guideline for members of the campus community should these situations arise. For questions about specific purchasing guidelines, please reference the University’s Purchasing Policy.

Policy Details

Who can sign contracts?

Individual faculty and staff members are not advised to sign off on any contracts. Budget officers have the authorization to sign off for a one-time single use purchase under \$1,000, and these transactions typically do not require contract signatures. Any agreement over \$1,000, should be forwarded to the Area Vice President for further approval. Further, any contract over \$10,000 must go through the Business Office and be signed by the Vice President for Business Affairs.

Multi-year contracts

Any contract that spans multiple fiscal years should be reviewed and approved by the Business Office before signature. These types of contracts open the University to financial obligations for future years and should be reviewed to ensure we are able to meet the requirements of the agreement.

Technology Contracts

Per the University purchasing policy, all technology purchases including hardware, software, network, and data service must be approved through the Office of Information Technology. This will help ensure that new purchases comply with University system requirements and will help reduce redundancies between systems. Contracts for technology related purchases still follow the same dollar amount approval limits listed above.

Who is responsible for the contract?

Contract responsibility starts with the person or department making the purchase. It is imperative that the individuals initiating the contract request review the agreement to make sure that it fully covers the details of the negotiated purchase and that the product or service will meet the needs of the department. The Vice President for Business Affairs and the Purchasing and Risk Manager will also review and approve the terms and conditions of the contract as well as keep a copy of the contract on file in the Business Office. All fully executed contracts must be sent to the Business Office for filing/tracking, with the originating department keeping a copy on file. Individual departments will also be responsible to keep track of active contracts and be familiar with their requirements.

What is the timeline for contract approval?

Unfortunately, there is no concrete timeline for a contract to be signed and approved. The length and complexity of the contract will determine how quickly the review process can be completed. Single page contracts may be reviewed in a few hours, while larger agreements may take multiple weeks to go through. Common situations that may delay approval include sending the contract for outside legal counsel to review and insuring that all insurance requirements are met.

Legal Review

Some contracts will contain language that may need outside legal counsel to review. If you have any questions or concerns with any language in a contract, immediately forward to the Business Office for review and note any concerns

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you may have. After review, it will be up to the discretion of the Vice President of Business Affairs whether or not the contract should be sent for outside legal review.

Risk and Insurance

Some contracts are for products or services that include inherent risks which should be reviewed to make sure the University is properly insured. Some examples include student rotations at offsite medical centers, group transportation contracts, and even events with inflatables. If the contract has language stipulating additional insurance requirements or you do not understand the insurance language, please forward the contract to the Business Office for review. We will work with our insurance carrier to make sure the University and members of the campus community are properly covered.

Contract Expiration/Renewal

Originating departments should be familiar with the requirements and language that dictates how and when the contract will end. The University advises against any auto-renewal verbiage in all contracts, and these clauses should be removed whenever possible. The Purchasing department will review any end of contract requirements with the originating department before the contract is fully executed.

Any contract that a department would like to renew will be treated as a new contract and must go through the appropriate approval process again. Departments will be responsible for contacting the Purchasing department with a sufficient timeframe before the contract expiration to discuss contract termination or renewal options.

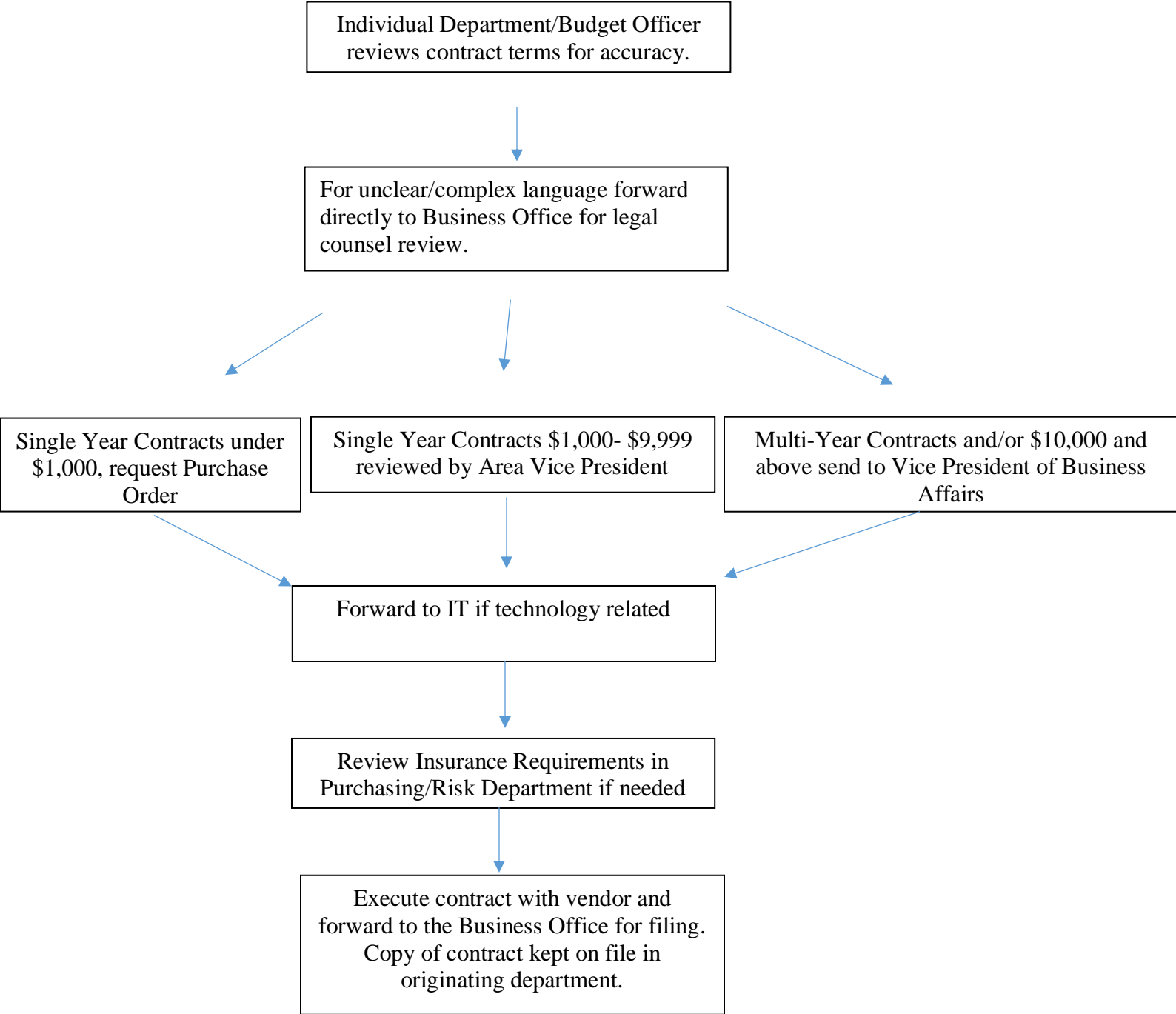
PROCEDURE

Please see next page.

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Responsibilities

Position or Office	Responsibilities
Purchasing/Risk Manager	Review contracts for legal requirements, end of contract terms, insurance and risk requirements.

Resources

Contacts

Subject	Office	Telephone	E-mail/URL
Any	Purchasing	330-823-2280	businessoffice@mountunion.edu

History

All changes must be listed sequentially, including edits and reviews. Note when the policy name or number changes.

Issued Date: 2017

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