

Ursinus College Contracts Administration Policy

Introduction

Policy Statement

Ursinus College, through faculty, staff, students, and student organizations, enters into hundreds of contractual agreements each year with third parties that involve a wide array of activities, including services, consulting, maintenance, supplies, performances, facilities use, construction, research, and publications, among others. This policy is intended to provide guidance to the Ursinus community on the need for written agreements, as well as the signature authority, review process, and recordkeeping for all contractual agreements with third parties involving College resources. The goal of this policy is to promote good business practices, see that all contractual agreements meet the College's legal compliance requirements, and avoid unintended contractual obligations not in the best interests of the College. The policy may be modified from time to time by the Vice President for Finance and Administration following review by the College's Vice President and General Counsel and upon the President's written approval.

Applicability

This policy applies to all Ursinus faculty and staff employees, students, and student organizations who enter into any type of agreement that obligates Ursinus to provide payment, services, goods, or use of College property, facilities or other resources to a third party. It does not apply to organizations not funded by or under oversight by the College, such as Greek organizations with local chapters that exist as separate legal entities. Contractual agreements governed by this policy include, but are not limited to, leases, purchase orders, design/engineering/construction contracts, employment agreements, service and consulting agreements, grants, revenue contracts, affiliation agreements (hereafter identified as "contracts"), and contracts that obligate Ursinus funds to pay for other services, including circumstances where the agreements are for the benefit of a student organization, faculty member, or academic department.

Contracts must satisfy three basic criteria in order to be approved by an authorized College official:

1. The contract must be appropriate to the mission and operation of the College.
2. The funds and other resources must be available to carry out the obligations of the contract.
3. The terms of the contract must comply with College policies, procedures, and applicable state and federal laws.

Policy

I. Contract Authority

A. Exclusive Board authority and responsibility for certain contracts

The College's Constitution and Bylaws reserve to the Board of Trustees the authority to approve in advance any contract that, e.g., (1) obligates Ursinus to purchase or sell any land or buildings (*see* Constitution and Bylaws, Article I, Section 2, Paragraph 14), and (2) creates any debt

financing obligations on Ursinus (*see* Constitution and Bylaws, Article I, Section 2, Paragraph 12).

Major Capital Projects are defined in the College's Capital Financing Policy as "capital projects with an expected useful life of at least five years with estimated total cost in excess of 5% of Unrestricted Operating Revenues, as reported on the College's most recently audited financial statements." Contracts for Major Capital Projects must be approved by the Board of Trustees and signed by the College's President or, if authorized in writing by the Board or President, the Vice President for Finance and Administration.

B. Presidential authority and responsibility for all other contractual obligations

In accordance with Article VIII, Section 2, of the College's Constitution and Bylaws, the President has the authority and responsibility to execute all documents on behalf of the College and Board of Trustees consistent with any Board policies and the best interests of the College. The President may delegate this authority and responsibility, as described below. No other officer, faculty or staff employee, student, or student organization, has the authority to bind or otherwise obligate the College without the express, specific written consent of the President or an authorized delegee/sub-delegee. Notwithstanding the foregoing, the President shall reserve authority to execute all documents involving amounts in the amount of \$500,000 or greater.

By delegation from the President, the Vice President for Finance and Administration has the authority and responsibility to sign all deeds, leases, contracts arising out of the legitimate business of the College, and other contracts that relate to the normal business of the College for which funds are available in the approved operating or capital budget or other approved sources. The Vice President for Finance and Administration may further delegate this authority in writing in accordance with Section C below.

By delegation from the President, the Provost and Senior Vice President for Academic and Campus Life has the authority and responsibility to sign certain contracts arising out of the legitimate academic operations of the College for which funds are available in the approved budget or other approved sources. Such contracts include articulation agreements, research grant agreements, and government funded proposals, awards, grants and agreements. The Provost & Senior Vice President for Academic and Campus Life may further delegate this authority in writing in accordance with Section C below.

By delegation from the President, the Vice President for Advancement has the authority and responsibility to sign certain contracts arising out of the legitimate advancement operations of the College for which funds are available in the approved budget or other approved sources. Such contracts include gift agreements, pledge agreements and other agreements with donors; agreements arising out of the administration of estates and trusts of which the College is a beneficiary (including receipt and release agreements); agreements with consultants or vendors providing services in support of advancement operations; and service contracts for events sponsored/run by Advancement. The Vice President for Advancement may further delegate this authority in writing in accordance with Section C below.

By delegation from the President, the Vice President and General Counsel has the authority and responsibility to sign certain contracts arising out of the legitimate legal operations of the College for which funds are available in the approved budget or other approved sources. Such contracts include engagement letters with outside law firms and lawyers; and agreements with outside consultants/vendors retained by counsel in connection with investigations and litigation. The Vice President and General Counsel may further delegate this authority in writing in accordance with Section C below.

C. Delegation of Contracting Authority

Delegations of contracting authority are prohibited, except where specifically authorized in this policy. The delegating official retains ultimate responsibility for matters and personnel under the official's supervision. An individual who has not received a written delegation of authority to sign contracts should not sign agreements that purport to bind the College and may be held personally responsible if the individual attempts to do so. Ursinus College retains the authority not to recognize an agreement as binding against the College unless all signatories to the agreement have proper contracting authority as of the date the contract was entered.

All delegations of contracting authority should: 1) be in writing; 2) be made to specific position titles, not named individuals; 3) indicate the scope of the delegation (i.e., a specific contract/vendor only, contracts under a certain dollar amount, etc.); 4) specify the need for advance review by the Vice President and General Counsel and/or other relevant departments for particular contracts, vendors, or other unique situations different from those generally set out in Section II of this policy; 5) indicate whether further written delegation is permitted; and 6) be copied and maintained in the offices of both parties, with a copy sent to the Vice President and General Counsel and the Finance Office. Unless otherwise specified, delegated contracting authority will remain in effect until revoked in writing, with a copy sent to the Vice President and General Counsel and the Finance Office.

D. Conflict of Interest

As stewards of the College's resources, Ursinus College faculty and staff should avoid conflicts of interest and act at all times in the best interest of Ursinus College. A conflict of interest would exist when an employee, their family member, business partner or organization has a financial or other interest and/or gain from the contractual agreement. Accordingly, employees having an actual or potential conflict of interest should not be involved in the selection, negotiation, or administration of contracts or agreements where a conflict of interest would exist. In the event that a conflict of interest or appearance of a conflict of interest exists, the employee should report the conflict to his/her supervisor.

II. Importance of Written Contracts and Advance Review

A. Written Contracts

All contracts with third parties involving College resources should be in writing, regardless of prior practice or prior business relationships with the person or entity.

B. Contract Routing Process

The person seeking approval and execution of a particular contract (“Contract Owner”) must obtain preapproval by the Vice President of the Division submitting the request. That Vice President must confirm departmental funds are available in the appropriate operating budget.

The Contract Owner must fill out a Contract Routing Form (CRF) found [here](#) and send to the Finance Office (email to contracts@ursinus.edu) for its review and approval, ordinarily with at least two weeks advance notice. Pending the submission of the CRF, the Contract Owner may send the contract to the Vice President and General Counsel so that person can commence legal review and work with the Contract Owner in negotiating changes to the contract. The Contract Owner, with the assistance of the Finance Office, is responsible for shepherding the contract through the process through final approval and execution.

C. Advance Review by Relevant Department(s)

All contracts should be reviewed and approved in advance by service departments that will need to provide technical support, facilities, or personnel to carry out and comply with the terms of the contract. For example, software or service agreements which involve access to or sharing of college owned data require the review of the IT department to ensure that appropriate data security and cyber insurance is in place. In addition, all contracts for employment should be reviewed by the Human Resources department.

D. Legal Review of Contracts

Unless otherwise expressly permitted by the Vice President and General Counsel, all contracts (especially those involving unique risks and liability to the College) require legal review and approval by the Vice President and General Counsel prior to final approval and signature by those authorized under this Policy to sign contracts. Unique risks and liability to the College include, but are not limited to, contracts involving banking and financial services, confidential information, intellectual property rights, international programs, clinical placements and research or testing on human or animal subjects. Particular contract provisions require scrutiny, including but not limited to confidentiality of information, data security, indemnification, limitations of liability, insurance, background checks. All contracts should be sent electronically in Microsoft Word format to the Business Office for initial review.

Departments may have or develop standard form contracts or agreements for particular types of transactions, particular vendors, etc. for approval by the Vice President and General Counsel. The Office of General Counsel will work with departments to review or develop such standard forms. If approved, the department may use such form agreements without individual review by the Vice President and General Counsel and without need for a CRF, so long as it is used for the particular type of transaction and/or vendor for which its use has been approved and so long as the person signing the document has authority under this Policy. The Vice President and General Counsel should review the standard forms regularly to promote continuing conformity with legal requirements.

III. Document Retention and Dissemination

When a contract is signed, the College office/department that arranged for the contract (including leases and purchase orders) is responsible for:

- a. promptly providing the original, fully-executed (i.e., signed by all parties) contract to the College's Associate Vice President for Finance - Controller for purposes of accounting, audit reporting, and execution of disbursements, and other needs as necessary;
- b. keeping a copy of the fully-executed contract, including all attachments; and
- c. providing an electronic copy of the fully-executed contract to the Vice President and General Counsel.