BSF-010 APPROVAL AND SIGNATURE FOR UNIVERSITY BUSINESS AGREEMENT CONTRACTS

PURPOSE/DEFINITIONS

A contract is a written agreement covering a specific business transaction, which is executed by both parties and includes the appropriate exchange of consideration. The University has numerous policies and procedures that must be followed, along with best business practices; however, as a “general guideline”, contracts must have prior written approval if they involve any of the following:

1. All contracts involving legal services or retention of outside counsel require the prior written approval of the Office of General Counsel.
2. All banking and financial agreements must have prior written approval of the Treasurer’s Office.
3. Any contract with an accounting/audit firm must have prior written approval of the Controller.
4. All acquisitions of software, hardware and/or services must have prior written approval of Information Technology (see IT policy A005 and/or B010 for details).
5. All Real Estate contracts, i.e., leases, must have prior written approval of the Real Estate Director.
6. All insurance and indemnification should have prior approval from the Risk Management Director.
7. All gift contracts must have prior approval from Development.
8. Sponsored Program contracts must be reviewed, approved and executed by Sponsored Programs.

The University has numerous policies and procedures relating to contracts and/or purchase orders and those policies must be reviewed and observed when contracting for goods and services.

- A form contract is a contract previously developed and approved by University General Counsel to handle repetitious arrangements. General Counsel or Financial Operations can provide “form” contracts. Examples of these contracts are Gift Agreements, University Facility Use and
Consulting Agreements. A complete list of form contracts can be provided by each office.

- **Employment Contract**: An employment contract is a document which evidences the terms and conditions of employment in formal terms. This definition is not intended to include faculty contracts.

- **Best Business Practices**: Delegated administrators who have been authorized and given authority to execute contracts and/or purchase orders are strongly advised to follow *best business practices*, which begin with a sound business plan, review by relevant administrators for advice or approval, budget approval or consideration, tax consequences, and review by General Counsel, in addition to abiding by all University policies and procedures. It is prudent to involve General Counsel early in the contract process.

The following list represents a general guideline by contract type in which General Counsel should be involved in the negotiation, review or development of a contract:

1. Gifts
2. Revenue-generating contracts, including but not limited to: summer camps, facility use, sponsorship
3. Legal Settlements
4. Large asset purchases or mergers, including but not limited to facilities, real estate and other businesses
5. Managed Care
6. Any and all Affiliation Agreements
7. Technology Transfer and/or Trademark use
8. Contracts which may result in wide publicity
9. Special Events on Campus
10. Foreign travel to countries where travel is restricted (see Travel Website)
11. Facility Use Agreements
12. Contracts with local governments and municipalities
13. Any contract where the provider is “exclusive” provider
14. Any contract where a non-authorized signer or non-lawyer is involved

**PROCEDURE**

1. The agreement and/or contract should be submitted in triplicate with a self-addressed return envelope to the Office of Financial Operations a minimum of two weeks before the agreement is to be initiated or carried out.

2. The agreement should be accompanied by the following:
   a. A memo explaining the purpose of the contract.
b. The approval/initials of the Dean, department head or authorized signer for the school requesting the contract.
c. The account number to be charged if University funds are to be expended.
d. If the contract has been previously approved or is a University form agreement, it should be signed by the vendor or other party before being submitted to the Office of Financial Operations.
e. If the contract contains insurance provisions, the department should obtain a Certificate of Insurance, naming the University as additional insured, from the vendor or other contracting party and attach the certificate to the contract when submitting to the Office of Financial Operations.

3. When received in the Office of Financial Operations, a copy is submitted to the Risk Manager for review, and if it is determined by the Office of Financial Operations that it needs review by legal counsel, a copy will be submitted immediately to the office of General Counsel. Once the agreement is acceptable to University General Counsel and/or the Office of Financial Operations, the agreement will be executed by the Office of Financial Operations and returned to the requester for the necessary signatures. A copy of the fully executed agreement should be returned to the Financial Operations office to be held in the University's legal files.

In the event changes are required in the agreement, they will be put in written form and submitted to the requester. The requester should then have the agreement changed and notify the vendor or the other party to obtain their approval. In regard to insurance or other matters, the Risk Manager or the Office of Financial Operations will be available to assist in resolving any problems.

4. In rare emergency situations, the requester should telephone the Office of Financial Operations and inform them of the situation, then have the contract hand-delivered. Every effort will be made to reduce the time required to complete the process.

There are over 2,000 contracts executed each year on behalf of the University and each agreement is reviewed and processed to assure that the agreements have the proper language to protect the University's interests, the insurance requirements included to transfer any risk that might be involved, and to see that the agreement is appropriate from a business standpoint. Due to the large number of claims from agreements that end up in litigation in South Florida, this procedure is necessary and every effort is made to expedite the process.