



## **Contract Policy**

This policy applies to all university employees, students, and student organizations who seek to enter into any type of agreement that obligates the university to provide payment, services, goods, or use of university property or facilities to a third party. Contractual agreements governed by this policy include, but are not limited to, consulting services, software licenses, design/engineering/construction contracts, employment agreements, equipment leases, and any other arrangement that obligates university funds to pay for services such as speakers, bands, research projects, etc.

### **Authority to Sign Contracts**

In accordance with Ordinance 4, section 5, the Vice-Chancellor has the authority to execute all legal documents such as contracts and may delegate his authority to others. Thus, no individual has the authority to approve or sign contracts on behalf of the university unless they have a valid delegation of authority from the Vice-Chancellor.

The Vice-Chancellor has delegated authority to sign contracts to the Provost and has authorized the Provost to further delegate authority to sign contracts. The Provost must sign all contracts exceeding \$100,000 unless delegated otherwise. The Provost has delegated to the Vice President for Finance and Treasurer, the Assistant Vice President for Facilities Management, and the Assistant Vice President of Campus Planning, Design, and Construction the authority to sign contracts within their respective areas that do not require the University to expend more than \$125,000. The Vice President for Economic Development has been delegated authority to sign contracts in their area that do not require the University to expend more than \$100,000. The Dean of the College has been delegated authority to sign contracts in their division that do not require the University to expend more than \$50,000. The Provost has also delegated authority to the Dean of the School of Theology to sign contracts in their area that do not require the University to expend more than \$40,000. The Vice President for Student Life and Dean of Students, the Vice President and Dean of Admission and Financial Aid, the Associate Provost for Library and Information Technology Services, the Vice President for Diversity, Equity, and Inclusion, and the Vice President for University Relations have been delegated to sign contracts in their respective areas that do not require the University to expend more than \$25,000 and are for one year or less. Finally, the Provost has delegated authority to the Vice President and General Counsel to sign engagement letter(s) for legal or litigation services. The Provost must sign any contract that does not fall within these delegations.

## **Capital Projects**

For capital projects where the aggregate cost of design and construction is anticipated to exceed \$1,000,000, the project concept and proposed material terms for contracts for design and construction must be reviewed and approved by the Board of Regents prior to entering into the contracts.

## **Conflicts of Interest**

University officials with contract authority must exercise that authority in a manner consistent with the university's policy on Conflicts of Interest.

## **Importance of Written Contracts and Advance Review**

### **A. Written Contracts**

All contracts with third parties involving university resources should be in writing, regardless of prior practice or prior business relationships with the person or entity. The contract must list the legal name and address of the third party/vendor and the terms must be clearly specified, e.g., effective date, length of contract, cost, deliverables. The contract should include the University's legal name - "The University of the South".

### **B. Purchasing Goods and Services**

Contracts for the purchase of goods and services are subject to procedures outlined in the University Procurement Policy and Procedures. University Purchasing Forms/Templates contain the University's standard terms and conditions and should be used to the fullest extent possible. A repository of approved University Purchasing Forms/Templates are available from the Purchasing Office.

### **C. Advance Review by Relevant Department(s)**

All contracts should be reviewed and approved in advance by other departments that will need to provide technical support, facilities, or personnel to carry out the contract. For example, a software contract should be reviewed by LITS to determine whether the university can support the software.

Contracts should be reviewed and approved by the University's Office of Risk Management under any of the following circumstances: a. the third party/vendor seeks to reduce or modify the insurance policy types and coverage limits specified in a University contract form/template; b. the contract involves the purchase of any type of insurance or surety bond; c. the subject of the contract involves potential risk of harm to individuals or damage to property; d. the third party/vendor seeks to include obligations on the part of the University to maintain specific insurance policies or coverage limits or requires the University to name the third party/vendor as an additional insured on the University's insurance policies or e. the contract provides or requires access to University data.

#### **D. Advance Review by the Office of General Counsel**

All contracts requiring the University to expend more than \$25,000; all contracts that obligate the university to defend, indemnify or hold harmless the other party; all contracts that seek to limit the amount or types of liability of the other party; all contracts for a term of three or more years; and all contracts involving unique risks and liability to the University must be reviewed and approved by the Office of General Counsel before submission to the authorized official for signature. The purpose of the Office of General Counsel review is to confirm the legal sufficiency of a contract by ascertaining that it (a) does not contain legally prohibited provisions; (b) includes all legally required provisions; and (c) is not otherwise objectionable on legal, as opposed to administrative, grounds. A review by the Office of General Counsel is necessary only for the first in a series of contracts so long as each subsequent contract (renewals) in the series (i) is substantially similar in form to the first such contract; (ii) does not change the aggregate University commitment (monetary or term duration) in any material amount by more than 10% monetarily or the term by more than twofold; (iii) the contractual relationship does not involve the transfer, processing or disclosure of personally identifiable information, whether to or from the University and (iv) the contractual relationship does not involve a foreign entity as a party or performance of work outside the United States.

#### **Recordkeeping**

The University official executing the contract is responsible for keeping a copy, or the original if required by law, of the executed contract, including all attachments, for at least ten years. The Treasurer's office may request a copy of a contract in order to process payment.