



Contracts Policy
Created 04/13/22
Owner - Linda Scholting, CFO

Policy/Procedures

This policy outlines the guidelines for authorization of contracts on behalf of Doane University.

Purpose

The purpose of this policy is to ensure that all contracts undergo authorized review and approval prior to execution and to ensure that all contractual obligations are being met by Doane University.

Scope

This policy applies to all faculty and staff and includes all types of contracts, establishing who has the authority to sign a contract as well as the obligations of Doane University's various contract managers.

Terms & Definitions

Contract — Under this policy, a contract is considered to be an agreement between Doane University and another party that is intended to have a binding obligation and be legally enforceable.

- Although contracts may be written or oral, it is Doane University's policy to only accept written contracts.
- Contracts may or may not involve money and are obligations of the University's resources such as money, finances, goods, services, space, intellectual property, trade name, academic exchanges agreements, research agreements, equipment sharing, etc.
- Contracts must have clearly defined terms which are agreed upon between Doane University and the vendor in question.
- Contracts must be entered into by competent parties.

Memorandum of Understanding (MOU) — A formal agreement between two or more parties and is not a legally binding contract, but follows the same guidelines as a contract. An MOU does not contain legally binding elements in the text of the document, but must follow the same review process as a legally binding contract.

Authorized Signatory — For the purpose of this policy, an authorized signatory is an individual who has legal power to sign a contract on behalf of Doane University.

Contract Manager — The employee who initiates the contract approval process and will have responsibility for managing the terms of the contract. Depending on the individual's role they may also be able to sign for the contract per Doane's Signature Matrix.

New Contract Procedures

- A. Only designated approvers (see matrix) may sign a document that creates an obligation or undertaking on behalf of the University. An obligation may be in one year or multiple years and the total obligation dollar amount should be considered when evaluated when assessing authority (Ex. If an agreement is \$250k for 4 years, it should be considered a \$1M contract).

In order of decreasing authority, budgeted agreements greater than > 1 year are as follows:

- a. Agreements in excess of \$1 Million (single or multiple year totaling \$1M) must be approved by the Board of Trustees before being signed by the President or Chief Financial Officer.
 - i. Requests that are approved as part of a committee approval process (example: Capital/Technology, or specifically presented and approved in the annual budget process) **do not require separate approval** from the Board.
- b. Agreements in excess of \$250,000 must be signed by the President or Chief Financial Officer.
- c. Agreements in excess of \$25,000/Year must be signed by the Chief Financial Officer with the approval of the responsible department's Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer.
- d. Agreements which are \$25,000 a year or less may be signed by the responsible Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer.

Budgeted Agreements which are less than 1 Yr.:

- e. Less than a year and in excess of \$100,000 must be signed by the President and the Chief Financial Officer.
- f. Less than a year and in excess of \$25,000 must be signed by the Chief Financial Officer, and the appropriate Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer, Director, or Dean.
- g. Less than a year and between \$10,000 and \$25,000 must be signed by the appropriate Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer, Director, or Dean.

Unbudgeted Agreements which are:

- h. In excess of \$100,000 must be signed by the President and the Chief Financial Officer
- i. In excess of \$10,000 a year must be signed by the Chief Financial Officer
- j. Less than \$10,000 a year may be signed by the appropriate Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer.

Note A) Please note that all technology related vendors must be reviewed and approved by the Chief Information Officer prior to the beginning of any contract negotiations. Failure to abide by this provision of the policy will result in the revocation of the Contract Manager's signing authority.

Note B) Please note that all agreements which involve the storage, transfer, or accessing of sensitive, confidential, or personally identifiable information must include a Non-Disclosure Clause. Template NDA Language is available on Doane's Contract Toolkit if your vendor hasn't

already included it. Product Managers are expected to review their agreements to ensure the presence of such language if necessary.

- B. Once a contract has gone through the appropriate approval process as outlined above & in the signature authority matrix, it will need to be submitted to the Executive Assistant for Financial Affairs & Human Resources within five business days of its execution. This includes successful completion of the Contract Cover Sheet prior to submission. Failure to do so will result in the revocation of the Contract Manager's authority.
- C. Once the Executive Assistant for Financial Affairs & Human Resources has ensured the contract has been fully executed, they will forward it on to Accounts Payable to ensure that Doane is in full compliance with the payment terms of the contract.
 - a. If the agreement in question is in any way related to information technology then it will also be forwarded to the Chief Information Officer.
- D. Having ensured Doane's financial compliance, Accounts Payable will return the contract to the Executive Assistant for Financial Affairs & Human Resources who will file the contract and collaborate with the Contract Manager from this point on to ensure that appropriate contract deadlines are met.¹

Contract Renewal Procedures

- A. Venminder will regularly send Contract Managers reminders as they approach the notification & expiration deadlines for their contracts. At this time, the Contract Manager will be responsible for initiating the contract review process.
- B. The Contract Manager will review the contract in question and determine whether or not:
 - a. The service provided by the contract is still used by Doane.
 - b. Whether or not a contract should be updated with new terms.
 - c. Whether or not a more competitive price for the same service could be sought through a bidding process with similar providers.
 - d. Whether or not Doane wishes to terminate the contract.
 - i. In the event that a Contract Manager wishes to terminate an agreement they will need to successfully complete the Contract Termination Form. This will be provided by the Executive Assistant for Financial Affairs & Human Resources at the time that such notice of intent is provided.
- C. Once these determinations have been made, the Contract Manager will take the appropriate steps dependent upon the decision they've made.. Such steps can include:
 - a. Providing the Contract Termination Form to the Executive Assistant for Financial Affairs & Human Resources in advance of preparing the formal termination letter.
 - b. Approving the auto-renewal of the contract in Venminder.
 - c. Proceeding with the procedures to approve a new contract & providing it to the Executive Assistant for Financial Affairs & Human Resources for upload along with the Contract Cover Sheet.

¹ Please note that for contracts which are short-term in nature and for services rendered such as independent contractor agreements that these are filed with Accounts Payable.

Speaker Agreements/Independent Contractors

Because the use of Professional Speakers & other various outside contractors are typically short term engagements, they are not stored in Venminder & are subject to a separate procedures. Please find information regarding the Speaker & Event Contracts [here](#). Copies of contracts such as these will be stored with Accounts Payable along with any check stubs that were used to pay for the event/service in question.

Contract Manager Checklist

New Contract

- Identify Vendor & if Technology Related, coordinate with the CIO for HECVAT Review
- Conduct Contract Negotiations & use the Signature Authority Matrix to fully execute the finalized agreement.
- Complete the Contract Cover Sheet & submit to the Executive Assistant for Financial Affairs & Human Resources within five business days of final execution.

Contract Renewal

- Receive the Reminder Notification from the Executive Assistant for Financial Affairs & Human Resources.
- Depending on the situation:
 - Approve the contract for auto-renewal within Venminder or begin negotiations for an updated contract. If an updated contract then the same procedures as those for a new contract would apply.
 - If the Contract is related to Technology in any way, coordinate with the Chief Information Officer before committing to either auto-renewal or renegotiation of the contract.

Contract Terminations

- Inform the Executive Assistant for Financial Affairs & Human Resources of your intent to terminate the contract.
- Receive the Contract Termination Form from the Executive Assistant for Financial Affairs & Human Resources. Complete this form and return it to the Executive Assistant for Financial Affairs & Human Resources with all appropriate signatures. This will trigger the preparation of the formal contract termination letter.