

Inter-Office Memorandum

To: C2C Requestors and Approvers

From: Marc P. Goodman
General Counsel

Date: April 14, 2011

CC:

Re: Contracting on Behalf of the University

CONFIDENTIAL AND ATTORNEY-CLIENT PRIVILEGED

The purpose of this memorandum is to remind the University community about the policy regarding entering into contracts on behalf of the University. This policy has not been altered by the implementation of the Peoplesoft system. The steps outlined below for review of contracts must be completed *before* the contract is entered into the PeopleSoft process for requisition and approval for payment.

The University policy is for the General Counsel's Office to review contracts that: (1) are worth \$50,000 or more, or (2) present a high risk to the University (for example, constructing a skateboard ramp in Alumni Park). Goods, services, furniture, and speaker contracts involving amounts less than \$50,000 will generally be documented using the appropriate University purchase order forms generated by the Purchasing Department.

Please follow the protocol below with regard to all contracts, leases, agreements, amendments, releases, satisfactions, acceptance of bids, letters of intent or understanding, tuition reimbursements, and all similar legal documents which are intended to obligate the University for payments or services, except employment contracts. This protocol should be communicated to all persons under your supervision who engage in contract negotiation, execution, or performance. Thank you.

Contracting Protocol

1. **Express Authority.** Contracts may be executed only by University officers, agents, or employees, who are authorized to do so under the Execution of Documents Policy adopted by the Board of Regents.
2. **Delegated Authority.** University employees may engage in the negotiation of any contract only after obtaining the express approval of a University officer, agent, or employee who is authorized under the University's Execution of Documents Policy.^f Under no circumstances should any employee give verbal or written assurances or commitments on behalf of the University without being so authorized.
3. **Written Final Approval Required.** All employees negotiating contracts on behalf of the University shall inform the other party that no terms are final until approved in writing by a University officer, agent, or employee who is authorized under the Execution of Documents Policy.
4. **Written Contract Required For Contracts over \$49,999.** Except in emergencies, no University employee shall obligate the University, authorize

^f A copy of the Execution of Documents Policy is attached to this memorandum.

the delivery of goods, or authorize the initiation of services for an amount in excess of \$49,999 without a written contract approved under this protocol.

5. **General Counsel Review.** All contracts to be executed by the University (1) for an amount in excess of \$49,999, or (2) that present a high risk, shall be submitted to the General Counsel for review prior to finalization of negotiations. Contracts shall be submitted to the General Counsel sufficiently in advance of any deadline for execution to allow for such further contract negotiations and modifications as the General Counsel shall recommend.^{fn}
6. **Contract Questions.** All questions regarding whether a contract is necessary or the type of contract that should be used should be directed to the Office of the General Counsel.

^{fn} A copy of the General Counsel's office Contract Review Summary Form is attached to this memorandum.