



Washington and Lee University

Contracts Administration Policy

Approved By: <u>Provost June Aprille, and</u> <u>Steve McAllister, Vice President for Finance and</u> <u>Administration/Treasurer</u>	Related Policies: _____
History: Issued – <u>August 14, 2008</u> Revised – _____	Additional References: _____ Responsible Office(s): <u>Vice President for Finance and</u> <u>Administration/Treasurer and Provost</u>

I. INTRODUCTION

Policy Statement

Washington and Lee University, 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. In the past, some of these have been oral agreements; others have taken a variety of written forms, including emails, letters, and more formal documents. This policy is intended to provide guidance to the W&L 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 University resources. The goal of this policy is to promote good business practices, see that all contractual agreements meet the University's legal compliance requirements, and avoid unintended contractual obligations not in the best interests of the University. The policy may be modified from time to time by the Offices of the Vice President for Finance and Administration/Treasurer and/or Provost.

Applicability

This policy applies to all W&L faculty and staff employees, students, and student organizations who enter into any type of agreement (whether previously oral or written) that obligates W&L to provide payment, services, goods, or use of University property, facilities or other resources to a third party. It does not apply to Greek organization contracts (organizations sign their own contracts under the supervision of the House Directors and House Corporations). 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 W&L funds to pay for other services, such as speakers, bands, research projects, etc., including circumstances where the agreements are for the benefit of a student organization, faculty member, or academic department.

II. DEFINITIONS

There are no definitions applicable to this policy.

III. CONTRACT AUTHORITY

A. **Board authority and responsibility for contracts for the sale of campus/adjacent real estate or any real estate valued over \$750,000**

The University's articles of incorporation and bylaws reserve to the Board of Trustees the authority to approve in advance any contract that obligates W&L to sell any real estate that is a part of the campus or within ½ mile adjacent to campus. The same Board approval is required for W&L's sale of any real estate that is valued in excess of \$750,000. Any such contracts should be signed by the University's Treasurer.

B. **Presidential authority and responsibility for all other contractual obligations**

The President, as chief executive officer of the University, has the authority and responsibility to sign all other contracts, deeds, or leases for which funds are available in the approved budget or other approved sources. The President may delegate this authority and responsibility, as described below, to the noted financial or academic officer. No other officer, faculty or staff employee, student, or student organization, has the authority to bind or otherwise obligate the University without the express, specific written consent of the President or an authorized delegate.

By delegation from the President, the Vice-President for Finance/Treasurer has the authority and responsibility to sign all deeds, leases, and contracts arising out of the legitimate business operations of the University for which funds are available in the approved budget or other approved sources. The Vice-President for Finance and Administration/Treasurer may further delegate this authority in writing in accordance with Section C.

By delegation from the President, the Provost has the authority and responsibility to sign all contracts arising out of the legitimate academic operations of the University for which funds are available in the approved budget or other approved sources. The Provost may further delegate this authority in writing in accordance with Section C.

C. **Delegation of Contracting Authority**

Delegations of contracting authority are prohibited, except where specifically authorized in this policy (Section III.B). The delegating official retains ultimate responsibility for matters and personnel under his/her supervision. An individual who has not received a written delegation of authority to sign contracts should not sign agreements that purport to bind the University, and may be held personally responsible if s/he attempts to do so. Washington and Lee University retains the authority not to recognize an agreement as binding against the University unless all signatories to the agreement have proper contract 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 Office of General Counsel and/or other relevant departments for particular contracts, vendors, or other unique situations different from those generally set out in Section IV 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 Office of General Counsel and the Controller. Unless otherwise specified, delegated contracting authority will remain in effect until revoked in writing, with a copy sent to the Office of General Counsel and the Controller.

D. Conflict of Interest

University officials with contract authority must exercise that authority in a manner consistent with the University's Conflict of Interest Policy for Officers, Senior Administrators, and Business Office Personnel and the Procedures for Reviewing Transactions with Interested Persons.

IV. 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.

B. 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 ITS to determine whether W&L can support the software.

C. Advance Review by the Office of General Counsel

All contracts requiring the University to pay out more than \$10,000 and all contracts involving unique risks and liability to the University (regardless of the monetary amount of the contract) should be reviewed and approved by the Office of General Counsel before submission to the authorized official for signature. Exceptions to this advance review requirement are purchase orders and contracts using templates previously approved by the Office of General Counsel (see below). All contracts should be sent electronically in Microsoft Word format (not in "pdf" format) to the Office of General Counsel, with a copy to the University official authorized to sign the contract.

Departments may develop a standard form contract or letter agreement for particular types of transactions, particular vendors, etc. for approval by the Office of General Counsel. The Office of General Counsel will work with departments to develop such

standard forms. If approved, the department may use such form agreements without individual review by the Office of General Counsel, so long as it is used for the particular type of transaction and/or vendor for which its use has been approved. The Office of General Counsel should review the standard forms every several years to promote continuing conformity with legal requirements.

The Office of General Counsel is developing approved templates for certain types of contracts commonly used and will post those templates on the counsel website (<http://counsel.wlu.edu>). Departments may use those templates without further review by the Office of General Counsel, as long as the templates remain unchanged (except for filling-in blanks, where applicable).

V. RECORDKEEPING

All executed original contracts, including leases and purchase orders, should be promptly provided to the Business Office for purposes of recordkeeping, audit reporting, and execution of disbursements. The University official executing the contract is responsible for keeping a copy of the executed contract, including all attachments, and providing an electronic version of the executed contract to the Office of General Counsel.
