

**GEORGIA STATE UNIVERSITY**  
**Policy on Contract Review and Approval**

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**Section 1. GENERAL**

This policy defines the general process by which a contract involving the Board of Regents of the University System of Georgia (“Board”) by and on behalf of Georgia State University (“University”) might be (1) created; (2) reviewed and approved; and (3) appropriately signed by an authorized University official.

Contracts must satisfy three basic criteria in order to be approved by an authorized University official:

- The contract must be appropriate to the mission and operation of the University.
- The funds and other resources must be available to carry out the obligations of the contract.
- The terms of the contract must comply with Board and University regulations, and applicable local, state, and federal laws.

Individuals having ultimate responsibility to oversee the performance of services under particular contracts should have signature authority for them. Prior to final signature, contracts need to pass through only those offices having direct oversight for the activities (or their funding) and those assuring administrative or regulatory compliance.

**Section 2. UNIVERSITY CONTRACT DEFINED**

For the purposes of this policy, a “University contract” is defined as an agreement between two (2) or more parties, one of which is the University or any of its subunits/affiliated organizations (i.e. Athletic Association, Research Foundation, Alumni Association, etc.), intended to have legal effect or be otherwise recognized at law. There must be a common understanding among the parties as to the essential terms, the mutual obligations, and the existence of valid and sufficient “legal consideration,” meaning that something of value is exchanged between the parties.

Examples of University contracts include, among others:

- Agreements to buy, sell, or rent goods;
- Agreements to provide, obtain, or rent services;
- Volunteer agreements;

- Memorandum of Understanding or Cooperation with government agencies and other organizations for the accomplishment of particular purposes;
- Grants and subgrants awarded by government agencies and private organizations;
- Affiliation agreements;
- Leases of movable property, such as tools, equipment, vehicles, etc.
- Leases, deeds, and other conveyances affecting interests in real property;
- Employment contracts;
- Waivers and releases;
- Nondisclosure agreements;
- Student or faculty exchange agreements; and
- Software license agreements.

### **Section 3. ADMINISTRATIVE REVIEW**

A person initiating a University contract is responsible for reading the contract entirely and determining that: (1) the contract language accurately reflects the current state of negotiations; (2) the contract meets programmatic and University mission and operational requirements; (3) the contract is in the best interests of the University; (4) he/she can ensure compliance with the obligations it places on the University; and (5) the contract is sufficiently clear, consistent, and fiscally prudent.

In addition, such persons must have the cooperation and approval of any University department/unit that may be directly or indirectly involved in performance or funding of the contract. Accordingly, prior to being signed by the appropriate University official, all contracts must be reviewed and approved by: (1) the University department chair or unit director; (2) the University dean (if the requesting department/unit is an academic department); (3) the Office of Legal Affairs; and in certain circumstances, (4) a University Vice President or President. The following outlines the responsibility of each of these reviewing offices:

- **Department Chair/Unit Director**
  - Guarantees that the department or unit can furnish services, materials, and/or funds provided for in the contract.
  - Assures that the contract is appropriate and necessary to the department's missions and priorities.
  - Assures that alternative activities, actions and/or providers have been considered, and that those stipulated in the contract or agreement represent the most feasible, reasonable, and fiscally prudent arrangements for the department.
- **Academic Dean**
  - Guarantees that the college or school can furnish the services, materials, and/or funds (including any matching requirements) designated in the contract.
  - Assures that the contract is appropriate and necessary to the college or school's mission and priorities.

- Assures that alternative activities, actions and/or providers have been considered, and that those stipulated in the contract or agreement represent the most feasible, reasonable and fiscally prudent arrangements for the college or school.
  
- **Office of Legal Affairs**
  - Assures that the contract does not subject the University to undue liability or risk.
  - Assures that the contract does not contain any prohibited clauses.
  - Assures that the terms of the contract comply with Board and University regulations, and applicable local, state, and federal laws.
  
- **Vice President or President**
  - Verifies that all appropriate signatures are intact, including Legal Affairs approval and Accounting Services/Grants and Contracts approval.
  - Assures that the contract is appropriate and necessary to the University's mission and priorities, and is not in conflict with the needs, mission, or priorities of any other division within the University.
  - Obligates the University and the Board of Regents to the terms of the contract.

Approvals from the above departments/units are to be endorsed in writing on an approval routing form attached to the front of the University contract (*see* Appendix A). These signatures apprise the authorized University signatory that the terms of the contract have been appropriately reviewed.

#### **Section 4. AUTHORIZING SIGNATURES**

All contracts involving the University must be signed by an authorized University official. The President must sign contracts and agreements between the University and any other state entity, between institutions of the University System of Georgia, hospitals, or other organized medical facilities. All other contracts may only be signed by University administrators who have authority delegated directly from the President to sign University contracts. With the exception of research agreements, which are signed by the Vice President for Research, all contracts of \$25,000 or more in University expenditures or revenues must be reviewed and signed by the Vice President for Finance and Administration. Any other contracts and agreements may be signed by a Vice President or Dean with delegated signature authority.

Vice Presidents and Deans may delegate signature authority for routing forms or contracts. This delegation may be limited to specific types of contracts or to specific time periods. To delegate signature authority, the person charged with the signature authority must submit the information to the Office of the Vice President for Finance and Administration. A [list of authorized signers](#) will be sent to the Office of Legal Affairs and to all units of Finance and Administration who participate in the execution of contracts and agreements. Vice Presidents and Deans are encouraged to name a delegate to serve during any absence – including vacations - from their office.

Contracts and agreements signed by other than authorized officials will be rejected and returned to the originating department. Failure to follow University policies and procedures regarding signature authority may result in an employee's loss of insurance coverage, personal liability for all contractual obligations, and/or disciplinary action.

#### **Section 5. SIGNATURE APPROVAL ROUTING FORMS**

To assure the proper and timely routing of University contracts through the signature approval process, the University recommends the use of an approved routing form. This form should be attached to the front of the University contract. The form provides contact information and shows the next steps in the routing process so that University contracts can be handled expediently. The routing form approved by the Office of Legal Affairs may be found in Appendix A.

#### **Section 6. CONTRACT RETENTION**

The University complies with the Board's published record retention guidelines, which may be reviewed at <http://www.usg.edu/usgweb/busserv/series/index.phtml>. Unless otherwise requested, departments/units should send final, executed agreements to Accounts Payable for retention purposes; provided, however, the department/unit is responsible for maintaining copies of such agreements in its own files and for complying with the specific retention requirements. In addition, any University contract provisions dealing with document retention by the parties must be satisfied, even if such contractual provisions require longer retention periods than the Board's guidelines.

#### **Section 7. CONTRACT ADMINISTRATION**

Unless otherwise provided by University policy, the individual, or his/her designee, who signs the University contract is responsible for properly carrying out the terms of the contract for the University. It may be advisable for each University department/unit to establish a database of all its current contracts, including such information as performance dates, payments to or from the University, and receipt of certificates of insurance, performance bonds or letters of credit. Failure to monitor these requirements can expose the University department/unit and the University to financial loss, legal actions, and potential claims of breach of contract or default. If any contract administrator has any questions regarding these matters, he/she should contact the Office of Legal Affairs.