

FAYETTEVILLE STATE UNIVERSITY

CONTRACT REVIEW AND APPROVAL

Authority:	Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
Category:	University-Wide
Applies to:	●Administrators ●Faculty ●Staff ●Students
History:	Revised – October 6, 2017 Revised – August 28, 2011 Approved - June 16, 2006 First Issued - June 16, 2006
Related Policies/ Regulations/Statutes:	The <i>Code</i> of the University of North Carolina
Contact for Info:	Office of Legal Affairs (910) 672-1145

I. PURPOSE

No individual is authorized to execute contracts on behalf of Fayetteville State University (University) unless authority to do so has been delegated in writing by the Chancellor or other University official authorized to make such delegations or unless such has been outlined in this Policy. Any individual who enters into an agreement on behalf of the University, without authority to do so, shall be held personally liable for the terms and conditions stated in the agreement.

The purpose of this Policy is to set out general parameters through which a contract between the University and a contracting party might be created, reviewed, and executed.

II. UNIVERSITY CONTRACT DEFINED

- A. 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, intended to have legal effect. There must be a common understanding among the parties as to the essential terms, there must be mutual obligations, and there must be "legal considerations," meaning that something of value is exchanged.
- B. The term "University contract," as defined in this policy, does not include agreements between different units within the University. Examples of University contracts include the following: agreements for the purchase or rental of goods or services; nondisclosure agreements; agreements that set terms for acceptance for gifts; sale, lease, or donation of University goods or services; liability waivers; settlement of disputes; licenses; student or faculty exchange agreements; memoranda/letters of understanding or cooperation; contracts with hotels, convention centers or other facilities which require a written agreement; instructional agreements; assignment of the right of a person, group, or

agency to use the University's name, logo or resources; etc. The above list is not all inclusive.

- C. Agreements are not University contracts if they are entered into solely on behalf of a foundation (including those affiliated with the University), a student organization (except SGA, SACS, etc.), or purely private interests.

III. ADMINISTRATIVE REVIEW

A. Unit Review

The individual initiating the contract for the University is responsible for reading the contract in its entirety and determining that the contract language accurately reflects the current state of negotiations, the contract meets programmatic and University mission requirements; the contract is in the best interests of the University, and the contract is sufficiently clear and consistent. The individual initiating the contract for the University is responsible for ensuring compliance with the obligations it places on the University, If the contract involves indirectly or directly other unit(s) in the performance of the contract (i.e., financial considerations, telecommunications considerations, space considerations, etc.), the other unit(s) must be consulted and agree to perform as stated in the contract.

B. Vice Chancellor's Review

The individual initiating the contract is responsible for obtaining approval of the contract by the Vice Chancellor responsible for the respective division. Such approval is to be endorsed in writing on the first page of the contract. The Vice Chancellor shall also include the budget code that will be used to pay for the goods/services.

C. Legal Review

After being satisfied with the form and content of the contract and obtaining the Vice Chancellor's approval, the initiating individual must submit the contract to the Office of Legal Affairs for legal review. All University contracts, prior to the execution, shall be approved as to legal form and validity by the General Counsel or designee. Such approval is to be endorsed in writing on the contract. Such approval and endorsement shall not be required with respect to individual contracts, extensions, or renewals if the form has prior approval by the Office of Legal Affairs as a standard and contains no substantive changes or additions other than those pertaining solely to the description of the project, the amount involved, and the term of the contract or extension.

The North Carolina State Attorney General's Office has issued instructions mandating that certain "prohibited clauses" may not be included in any contracts into which a state agency enters. The Office of Legal Affairs will review each contract to ensure that it does not contain any of the prohibited clauses, it is consistent with federal and/or state laws, it is consistent with University rules and regulations, risk management concerns have been reasonably addressed, and it is consistent with any predecessor documents. The Office of Legal Affairs shall determine what other institutional reviews are necessary prior to submission of the contract for signature and will coordinate obtaining the appropriate reviews.

IV. APPROVAL AUTHORITY

A. Delegation of Authority

The Chancellor has inherent authority to sign all contracts. This authority is retained and may be exercised notwithstanding delegations of authority to sign certain contracts to other administrative officers.

B. Chancellor's Delegation of Authority

1. **Provost and Vice Chancellor for Academic Affairs.** The Provost and Vice Chancellor for Academic Affairs has authority to sign contracts, previously approved as to form and legal sufficiency by the Office of Legal Affairs, related to academic agreements that do not involve purchases of goods or services by the University. This excludes those contracts and agreements negotiated by the Provost.
2. **The Vice Chancellor for Business and Finance.** The Vice Chancellor for Business and Finance has authority to sign all contracts, previously approved as to form and legal sufficiency by the Office of Legal Affairs, not delegated to another administrative officer. This excludes those contracts and agreements negotiated by the Vice Chancellor for Business and Finance.
3. **The Vice Chancellor and Chief of Staff.** The Vice Chancellor and Chief of Staff has authority to sign non-disclosure agreements entered into on behalf of the Center for Defense and Homeland Security if such contracts have been previously approved as to form and legal sufficiency by the Office of Legal Affairs.
4. **Director of Athletics.** The Director of Athletics has authority to sign contracts for athletic contests involving the University's athletic teams. As part of this authorization the Director of Athletics is required to make sure that all contracts follow University and State guidelines.
5. **Chief of Police.** The Chief of the Campus Police has authority to sign mutual-aid agreements, previously approved as to form and legal sufficiency by the Office of Legal Affairs, with other law enforcement agencies for the purpose of mutual assistance.
6. **General Counsel.** The General Counsel has authority to sign employment related immigration documents and documents engaging outside counsel on behalf of the University.

V. DELEGATIONS FROM THE PROVOST

A. Senior Associate Vice Chancellor for Academic Affairs

The Senior Associate Vice Chancellor for Academic Affairs has authority, in the absence of the Provost, to sign contracts and agreements that the Provost is empowered to sign.

This excludes those contracts and agreements negotiated by the Senior Vice Chancellor for Academic Affairs.

B. Associate Vice Chancellor for Research

The Associate Vice Chancellor for Research has authority to sign contracts, grants, and agreements for research projects that qualify as sponsored programs. All contracts must have been previously approved as to form and legal sufficiency by the Office of Legal Affairs. Sponsored programs are those that are separately financed in whole or in part by external agencies and are carried out under terms of agreements between the sponsoring agencies and the University.

VI. DELEGATIONS FROM THE VICE CHANCELLOR FOR BUSINESS AND FINANCE

A. Associate Vice Chancellor for Business and Finance

The Associate Vice Chancellor for Business and Finance has authority, in the absence of the Vice Chancellor for Business and Finance, to sign contracts and agreements that the Vice Chancellor for Business and Finance is empowered to sign. This excludes those contracts and agreements negotiated by the Associate Vice Chancellor for Business and Finance.

The Associate Vice Chancellor for Business and Finance also has the authority to sign contracts and agreements not exceeding a total commitment of \$50,000.00.

B. Director of Business Services

The Director of Business Services has authority to sign standard facilities use agreements for Seabrook Auditorium. This delegation is effective for only the University's approved standard form use agreement for Seabrook Auditorium, which has been approved for form and legal sufficiency by the Office of Legal Affairs. Changes to this agreement must be reviewed by the Office of Legal Affairs.