

FINANCIAL MANAGEMENT Policy 31000: Contracts

1.0 Purpose

The policies and procedures on contracts are intended to help College employees who are presented with a contract or who wish to enter into a contract with guidance on reviewing the contract and how to have the contract approved. Written contracts involving the College are subject to review and approval by the Assistant Attorney General assigned to the College. Oral contracts are not permitted.

2.0 Policy

- 2.1 Legal Representative** - As an agency of the Commonwealth of Virginia, the College's legal representative is the Office of the Attorney General. The College is delegated authority to accept contracts; however, it does not have the authority to accept certain terms. Furthermore, only contract terms and conditions that have been reviewed and approved by the Office of the Attorney General (OAG) for form and content shall be used. Once a particular type of contract has been reviewed by the OAG, it may be re-used for similar contracts in the future without further review.
- 2.2 Legal Reviews** - It is the responsibility of the College employee signing the contract to ensure that all proper legal reviews have occurred. Further, the College employee signing the contract should ensure that all terms and conditions that the College cannot accept have been removed. In the event that the other party requires inclusion of terms and conditions the College cannot accept, the College must ensure the OAG has negotiated and signed the contract. The President and Vice Presidents are the only employees authorized to communicate and work with the OAG for resolving language concerns in contracts.
- 2.3 Parties to the Contract** - All contracts are between the College and the other party. Contracts are never between a department or work unit and the outside party.
- 2.4 Authorized Signatories** - Only certain positions and persons are authorized to bind the College to financial contracts. Each of those persons has a designated dollar limit for which they are authorized to sign. Delegated authority to sign certain financial and non-financial contracts has been granted to designated employees per the section entitled "Delegation of Authority for Contract Administration." Unless an employee is certain he or she has been delegated authority to sign a contract, they should refer the matter to their supervisor or to the Business Office.
- 2.5 Conflict of Interest** - Contracts between the College and any firm in which a College employee has a material financial interest are prohibited unless the contract is the result of a public bid process.
- 2.6 Indemnification Clauses** - The College is not authorized to accept contracts that require the College to indemnify or hold harmless a contractor from a claim by third parties. Any contracts containing such a clause must be modified to strike the clause or referred to the Office of the Attorney General.
- 2.7 Governing Laws** - The Office of the Attorney General strongly recommends that the College should not accept any contract where the laws governing the contract are those of another state. College contracts should indicate the laws of the Commonwealth of Virginia govern the contract or not address the issue.
- 2.8 Contracts** - documents defining an agreement between two parties, whether as an employee, employer, vendor, provider, or recipient of goods or services. Contracts include memorandums of agreement and memorandums of understanding.
- 2.9 Contract Documents** - the College prefers using its own contract documents because they have already been reviewed and approved by the Office of the Attorney General. Use of those documents can save considerable time in the review and approval process. In the event that a third party insists on using their own document, the College must attach an amendment to the contract that deals with terms and conditions not acceptable to the College. Each amendment is edited to suit a particular contract and, therefore, the contract must be reviewed by the Purchasing Officer to determine which clauses of the amendment are applicable. Contract signers are not authorized to sign contracts developed by third parties unless the amendment is also attached or the Purchasing Officer has provided a written note that such an amendment is not required.

3.0 Procedures

- 3.1** The College is referred to as Germanna Community College, not as GCC or as the department initiating the contract.
- 3.2** The address should be for the campus initiating the agreement. For contracts affecting multiple campuses, the campus address for the contract administrator shall be utilized.
- 3.3** The billing address shall be the Locust Grove Campus address.
- 3.4** Deletions to contracts shall be made by striking through words, phrases, or sections and not by whiting out the language.
- 3.5** All changes, insertions, and deletions to the document must be made on the original contract AND all copies.
- 3.6** The person responsible for signing the contract on behalf of the College must initial all changes, insertions, and deletions to the document - the original and all copies.

3.7 A College employee with authority to accept the terms and conditions on behalf of the College must execute all contracts (see following delegation).

4.0 Definitions

5.0 References

University of Virginia Financial & Administrative Policy VII.R.1
Virginia Polytechnic Institute and State University Policy No. 3015
University of Delaware Policy Number 3-2

6.0 Point of Contact

Created by Richard L (Rick) Brehm, Vice President for Administrative Services
Updated by Jane D. Krakowsky, Business Manager
April 14, 2005
Updated by Suzanne Swinson, Coordinator of Financial Services
June 1, 2009

7.0 Approval and Revision Dates

Approved by President's Council on, April 18, 2005

Germanna Community College
Delegation of Authority for Contract Administration
(Applicable Only Where College has Signature Authority)

Limits of Authority (unless otherwise noted):

President – goods (\$50,000); services (unlimited)

Vice President for Administrative Services – goods (\$50,000); services (\$100,000)

Financial Manager – goods (\$50,000); services (\$50,000)

Procurement Officer – goods (\$25,000); services (\$25,000)

Others – as detailed below

1. Affiliation Service Agreements – with business, industry, and government to permit education of Germanna students at affiliate’s site or with affiliate’s resources – **VP for Administrative Services, Financial Manager**
2. Construction Contracts – VCCS if capital outlay; GCC procurement if not capital outlay – **VP for Administrative Services, Financial Manager, Procurement Officer**
3. Consultant Agreements – use of private consultant in lieu of an employee – **VP for Administrative Services, Financial Manager**
4. Donor Agreements – **Director of Institutional Advancement** – (unlimited)
5. Faculty (Adjunct) Employment Agreements – **VP for Academic Services – (unlimited); VP for Administrative Services – (unlimited); VP of Workforce – (unlimited)**
6. Federal/State Program Participation Agreements
 - a. Grants (academic) – **VP for Administrative Services, Financial Manager**
 - b. Grants (non-academic) – **VP for Administrative Services, Financial Manager**
7. Federal & State Regulatory Agreements – permits, licenses, etc. – **VP for Administrative Services, Financial Manager**
8. Intellectual Property Agreements – **VP for Academic Services, VP for Administrative Services**
9. Lease Agreements – **VP for Administrative Services, Financial Manager**
10. Memoranda of Agreement– **VP for Administrative Services, Financial Manager, VP of Workforce**
11. Purchase Agreements - **VP for Administrative Services, Financial Manager, Procurement Officer, Assistant Procurement Officer (\$500), Dean of Learning Resource Center and Campus Librarians– books and periodicals only (\$5,000)**
12. Sales Agreements – sales of goods or services by the College to others – **VP for Administrative Services, Procurement Officer, Financial Manager, VP of Workforce**
13. Service Agreements
 - a. Educational Testing Services –**VP for Administrative Services, Financial Manager, Procurement Officer**
 - b. Entertainment Events
 - i. Lectures/Seminars – **VP for Administrative Services, Procurement Officer, Financial Manager**
 - ii. Music – performances and licenses –**VP for Administrative Services, Financial Manager**
 - c. Maintenance Agreements – see Purchase Agreements
 - d. Non-academic Instruction –**VP for Administrative Services, Financial Manager, VP of Workforce**
 - e. Conference – **Procurement Officer, Financial Manager, VP for Administrative Services**
14. Temporary Employment (via Employment Agencies) – **VP for Administrative Services, Financial Manager, Procurement Officer, Human Resources Manager (\$2,000)**
15. Tuition Agreements
 - c. Third-party billing relationships – **Financial Manager, VP for Administrative Services**
 - d. Contract tuition rates – **Financial Manager, VP for Administrative Services**
 - e. Tuition Rate Adjustments – **Financial Manager, VP for Administrative Services**
13. Unclassified Agreements – agreements not otherwise listed here – **VP for Administrative Services, Financial Manager**
14. Vending Contracts –**Financial Manager, VP for Administrative Services**