



DAEMEN

COLLEGE

A World of Opportunity

POLICY ON CONTRACT APPROVAL

I. POLICY OVERVIEW: The purpose of this policy is to establish the framework within which all external contracts (including agreements in letter or memo form) may be initiated by employees of the College and reviewed and approved by the officers of the College, including the President. It is the intent of this policy to clarify authority to commit college resources or otherwise obligate the College to an agreement or liability.

II. DEFINITION OF COLLEGE CONTRACTS AND POINTS OF EMPHASIS: A contract is an agreement between Daemen College and another party that is intended to have a binding obligation and/or legal effect. In general, if the arrangement involves any significant risk or potential liability that needs to be allocated between the parties, or unless the arrangement involves a situation where the duties and responsibilities of the parties are so basic and obvious, then a written contract shall be used. A contract may involve a commitment of college funds, facilities, employees, or other resources and/or the use of the College's name, or other purposes.

A contract may also involve a commitment for the College to give up a right it otherwise may have and whether or not it involves a commitment of College funds.

Daemen College does not honor oral agreements.

The College does not allow contracts to contain an automatic renewal clause unless there is also a clause permitting the College to terminate the contract at will.

All contracts and agreements shall be in compliance with the competitive bid, and all other elements of the Daemen College Purchasing Policy, and the College's conflict of interest policies.

The approval to enter into all contracts and agreements shall have at least two (2) signatures, including at least one cabinet member based upon the dollar value of the contract.

III: REVIEW, APPROVAL, AND SIGNATORY AUTHORITY:

(a) Process for Initiation of Contract Request

Any employee of the College who proposes that the College enter into a contract as defined under Section II shall comply with the following process:

1. Complete an Approval to Enter into a Contract form, which shall require the following information:
 - Name of Employee Requesting Contract;
 - Title of Employee
 - Proposed Party to the Contract with Daemen College
 - Purpose of Proposed Contract
 - Competitive bids received? Y/N
 - Attach Copy of Bid/Proposed Contract

 - Budget Line Proposed to be Charged, if College operational or capital funds involved
 - Period of performance and cancellation policy
 - Obtain signatures of appropriate supervisor and/or cabinet member

2. For faculty, obtain written approval of the contract from his or her Department Chair; Divisional Dean; and Vice President for Academic Affairs and Dean of the College. Based on the contract amount, additional approvals and signatures are required:
 - a. For contracts in excess of \$1,000 the approval and signature of the Controller is required
 - b. For contracts in excess of \$5,001-\$24,999 the approval and signature of the Vice President for Business Affairs is required in addition to the signature of the Controller
 - c. For contracts in excess of \$25,000 the approval and signature of the President is required in addition to the Vice President of Business Affairs and Controller

For other employees, obtain written approval of the contract from his or her immediate supervisor and the appropriate Cabinet member. Based on the contract amount, additional approvals and signatures are required as in (2) above.

3. Submit the Approval to Enter into a Contract form and the pre-approved proposed contract to the Vice President for Business Affairs/Treasurer for review and addition to the document vault.

(b) Approval and Signature Authority:

Under authority contained in the Bylaws of the Board of Trustees, the President has the general powers and duties of supervision and management of the property and affairs of the College, and the Vice President for Business Affairs/Treasurer serves as the Chief Financial Officer of the College.

To the maximum extent practicable, the Vice President for Business Affairs/Treasurer shall review approve through the contract approval form all contracts binding the College in excess of \$5,000.

All contracts, as defined under Section II, shall be in writing and be accompanied by two (2) signatures affixed to an "Approval to Enter into a Contract" form, including one signature on such form from one of the Vice Presidents or other official identified under Section III of this Policy.

In the case of a contract initiated by a Department Chair, he or she shall obtain, review, and approve a proposed contract from the Divisional Dean and the Vice President for Academic Affairs and Dean of the College.

In the case of a contract initiated by an officer of the corporation, he or she shall obtain, review, and approve a proposed contract and submit same to the President, accompanied by an "Approval to Enter into a Contract" form, co-signed by the Vice President for Business Affairs/Treasurer, and the President, if the contract under review exceeds the \$25,000 contract value level.

Contracts signed by unauthorized employees of the College or its agents are not valid and shall not bind the College.

To ensure that appropriate clauses regarding insurance, indemnity, venue and notice, and other standard elements of the College's basic contracts are included, the office of the Vice President for Business Affairs/Treasurer shall undertake a review of all contracts.

(c) Contract Value Levels:

While the cornerstone of this policy is that the Vice President for Business Affairs/Treasurer shall review all contracts in excess of \$5,000, there shall be contract value levels that may require additional approvals and signatures in order to make a contract binding on the College.

To these ends, the following contract value levels shall dictate the disposition of a contract:

- For contracts with a value in excess of \$25,000, the President must review and co-sign the contract approval form for all such contracts, along with the Vice President for Business Affairs/Treasurer and the appropriate officer of the corporation; and
- For contracts that would result in the lease, acquisition and/or other disposition of any part of the College's real property or any material part of the College's personal property; the acquisition of real property; or causation of the College to incur additional indebtedness, the President shall seek the approval of the Board of Trustees before such contracts are signed by the appropriate officer of the corporation, the President and the Vice President for Business Affairs/ Treasurer..

(d) Other Requirement: Any proposed contract that has no immediately identifiable financial impact on the College nor specified contract value level contained therein, but which may result in a significant future commitment of the College with a resultant liability or obligation, shall be brought to the attention of the appropriate Vice President and the President before going through the contract initiation, review, approval and signatory process described under this Section.

IV: RECORDS. Signed contracts shall be collected in a central, digitized Contract Repository that shall be established, updated, protected, and otherwise maintained by the Office of Business Affairs at the College.

V: CONSULTATION WITH COLLEGE COUNSEL: Where appropriate, the President, and the Vice President for Business Affairs/Treasurer, may seek independent counsel from the College's General Counsel for advice and guidance, as needed, when initiating and reviewing contracts before such contracts are signed.

VI: AUTHORITY AND APPROVAL OF POLICY: This policy is hereby approved by the Cabinet and the President on this 25th day of the month of September 2018.

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