

## Contract Management Policy

**POLICY TITLE: Contract Management Policy**

**POLICY OWNER: FINANCE**

**EXECUTIVE SPONSOR: EVP/CFO**

**DEVELOPMENT DATE:**

**APPROVAL DATE: March 6, 2024**

**EFFECTIVE DATE: April 4, 2024**

**UPDATED:**

**APPROVED BY: Davenport University Board of Trustees**

**PURPOSE OF POLICY:**

Davenport University enters into a substantial number of contracts every year. These contracts represent significant revenues and serious liabilities. The purpose of this policy is to provide a clear, consistent, effective and efficient understanding of how these various contracts are to be developed, reviewed, approved and managed, in order to improve their quality and mitigate the liability risk to the University.

Examples of typical contracts or agreements, and primary owners, include, but are not limited to:

<u>Type of Contract</u>	<u>Primary Owner</u>
Purchase Agreement	Procurement
Lease (Real Estate or Equipment)	Facilities
Insurance Policy	Risk Management
Software License	Information Technology
E-Commerce (Website) License Agreement	Information Technology
Service/Supplies/Maintenance Agreement	Facilities
Confidentiality Agreement	Human Resources and Risk Management
Intellectual Property Agreement	Academics
Employment Contract	Human Resources
Independent Contractor Agreement	Human Resources
Memorandum of Understanding	Academics and IPEX
Affiliation Agreement	Colleges and Career Services
IPEX Agreement	IPEX
Grant and/or Sponsored Program	Advancement

### **RESPONSIBLE PARTIES IMPACTED BY THIS POLICY:**

University employees who initiate contracts are responsible to obtain proper signatures for the University in accordance with this policy. They are also responsible to submit the original copy of the contract to the Contract Administrator.

University contract signatories must assure that proper review of the contract has occurred. Depending upon the nature and magnitude of the contract (in terms of value, risk and liability), signatories are expected to use sound, professional judgment as to when this particular situation may require review by legal counsel. Signatories are also expected to follow the specific process outlined for the particular type of contract (i.e. MOU involving finance). **Please allow one full week for the review to be completed and one full week for the signatures to be completed.**

The University's Contract Administrator is responsible to file all original copies of contracts in a central repository enabling easy retrieval. The Contract Administrator is also responsible to enter all contracts into the University's contract management system and for the maintenance of such database.

If contracts containing terms and conditions binding Davenport University are signed without proper authority, legal and financial difficulties can result for both the signatory and DU.

NOTE: Davenport University only signs contracts that clearly show the specific dollar commitment linked to the specific actions mapped out in the contract. We will not approve or sign contracts where percentages are utilized in the place of actual monetary designations

**Violations of this policy may result in disciplinary actions or sanctions, up to termination, in accordance with university guidelines and applicable laws.**

### **DEFINITIONS:**

**Contract:** The legally binding, written documentation governing a relationship with Davenport University, accepted by both the external party and the University, specifying all terms and conditions for the relationship.

**Contract Administrator:** The DU employee assigned responsibility to manage the central repository of all contracts, as well as the data entry and maintenance of the University's contract management system.

**Director, VP, etc.:** Includes all levels of the generic title (i.e., "VP" to include "SVP", "EVP", and so forth).

### **DAVENPORT UNIVERSITY CONTRACT SIGNATURE AUTHORITY:**

Any University employee initiating a contract with a party external to DU is responsible for obtaining the appropriate signatures, which includes the University signatory as defined by the following:

The President has inherent authority to sign all contracts involving the commitment of financial, academic, and physical resources of Davenport University (DU). This authority is retained and may be exercised notwithstanding the following delegations of authority to sign certain contracts.

## President's Delegated Signatory Authority:

<b>Contract Management Signatory Instructions</b>			
<u>Contract \$ Value</u>	<u>Reviewed By</u>	<u>Co- Approved/Signed By</u>	<u>Co-Signatory Designee</u>
\$250,000 and Above	Functional Leader	President	Functional EVP CFO
	Department Leader		
	Purchasing/Procurement		
	Finance		
	Risk Management		
	Functional EVP		
	CFO		
\$10,000 to \$249,999	Functional Leader	Functional EVP CFO	Functional Leader Department Leader
	Department Leader		
	Purchasing/Procurement		
	Finance		
	Risk Management		
	Functional EVP		
	CFO		
\$3001 to \$9,999	Functional Leader	Functional EVP	Functional Leader Department Leader
	Department Leader		
	Purchasing/Procurement		
	Finance		
	Risk Management		
	Functional EVP		
Memorandum of Understanding			
Academics	College Dean	President	EVP Academics EVP Enrollment Management/Student Services
IPEX	ED IPEX	President	
Grants	ED Grants and Sponsored Programs	President	EVP Advancement
	Risk Management	President	EVP/CFO
	Finance	President	EVP/CFO

DU signatories to contracts are responsible to ensure that proper review of the contract has occurred prior to signing. Legal counsel review is not mandatory for all contracts, but good business judgement should dictate when the specifics of the contract make this advisable. Some areas requiring particular focus include (but are not limited to...):

Termination clauses (“without cause” should be the norm)  
 Indemnification/Liability clauses (check for fairness and reciprocity)  
 Auto-renewal clauses (should be avoided)  
 Confidentiality clauses, as applicable  
 Payment Terms

#### PROCEDURES ASSOCIATED WITH THIS POLICY:

The procedures/processes associated with this policy should be followed. They include, but are not limited to...:

- Designated individual within each department responsible for contracts
- Training for contract management
- Review flow chart automatically generated per contract
- Control measures in place

#### RECORDS:

Upon obtaining the proper signatures from all parties, the initiator of the contract forwards an original copy of the contract to the DU Contract Administrator.

The DU Contract Administrator (Purchasing) will file the original copy in a Contract Life Cycle Management Software solution (central repository) enabling easy retrieval. The Contract Administrator will also enter the appropriate information regarding the contract into the University’s contract management system. This information will include, at a minimum:

Description/Category  
 Contract Entity Name  
 Campus/Department  
 Originator Name  
 DU Signatory Name  
 Effective Date  
 Termination Date  
 \$ Value

The DU Contract Administrator (Purchasing) will notify the originator and campus/department a minimum of 90 days prior to contract termination. The affected campus/department is responsible to initiate any renewals, as appropriate, per this procedure.

All original copies of contracts will be archived for a minimum of one year after term expiration. In addition, record of the contract will be retrievable from the University's contract management system a minimum of five years after term expiration.

FINAL