

**GOUCHER COLLEGE
POLICY ON CONTRACT REVIEW AND APPROVAL**

SECTION 1. GENERAL

This policy defines how all Goucher College contracts are created, reviewed and approved. In addition, the policy specifies who has authority to sign contracts on behalf of the college, its employees, and agents.

SECTION 2. COLLEGE CONTRACT DEFINED

For the purposes of this policy, a "contract" is defined as an agreement between two (2) or more parties, which is intended to have legal effect. All contracts document a common understanding among the parties as to the essential terms of their agreement, contain mutual obligations, and set forth "legal consideration," meaning that something of value is exchanged between the parties.

A college contract is a contract between Goucher College, or one of its departments or subunits, and a third party. The term "college contract," as defined in this policy, does not include agreements between different units or departments within the college. Examples of college contracts include, but are not limited to: agreements for the purchase, lease, or rental of goods or services; agreements for the sale, lease, or donation of college goods or services; agreements that set terms for acceptance of gifts; liability waivers; settlement of disputes; nondisclosure agreements; 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; employment agreements; construction and architectural design contracts; and assignment of the right of a person, group, or agency to use the college's name, logo, or resources. Some contracts may be oral; others must be written to be enforceable. An agreement may constitute a binding contract even though one party provides something of value to the other party at no charge.

While acting in the scope of your employment, if you are entering into an agreement or contract which involves or requires any commitment by Goucher College, it is best to assume that you are negotiating a "college contract."

SECTION 3. ADMINISTRATIVE REVIEW

Persons wishing to enter into negotiations for contracts such as those described above must have the cooperation and approval of every division or department which may be directly or indirectly implicated in performance of the contract (for example, in dealing with financial considerations, telecommunications considerations, and space considerations related to the contract).

The employee initiating the contract for the college is responsible for reading the contract entirely and determining that:

- the contract language is clear and consistent, and accurately reflects the current state of negotiations;
- the contract meets programmatic requirements and the mission of the college;
- (s)he can ensure compliance with the obligations the agreement places on the college;

- (s)he has consulted with all divisions or departments affected by the contract; and
- the contract terms have been approved by the appropriate vice president or delegee.

After having met these requirements, the initiating employee must submit the contract to the Office of Legal Counsel for review. The Office of Legal Counsel must approve all college contracts prior to their execution, except individual contracts drafted in a form that the office has previously approved, and extensions of previously approved contracts, if the extensions contain no substantive changes or additions.

The Office of Legal Counsel will review each contract to ensure that it is consistent with federal and/or state laws; it is consistent with college rules and regulations; it is consistent with any predecessor documents; it is in the interests of the college; and risk management concerns have been reasonably addressed. The Office of Legal Counsel shall determine if any other institutional reviews are necessary prior to submission of the contract for signature, and will coordinate obtaining the appropriate reviews.

The general counsel or assistant general counsel will endorse approval of a college contract for form and legal sufficiency in writing on the contract.

SECTION 4. AUTHORIZING SIGNATURES

The department that has responsibility for the performance of any part of a contract must designate who, within the department, has authority to negotiate and sign contracts. As a general rule, only the president and vice presidents have the authority to sign contracts for the college. They may, however, delegate such authority to appropriate individuals within their divisions, as described below. Anyone else who enters into a contract that purports to bind the college or its subunits is acting without authority, and could be held personally liable for the contract.

Generally, vice presidents will have authority to sign contracts that are within the purview of their divisions. For example, the Vice President for Development and Alumnae/i Affairs generally has authority to sign donor agreements, the Vice President for Communications has authority to sign contracts relating to media and advertising, the Chief Technology Officer has authority to sign software licensing agreements, and the Vice President for Finance has authority to sign construction contracts.

If signature authority to enter into contracts on behalf of the college is delegated below the level of a vice president, such delegation must be made in writing by the president or vice president and must specify the specific position and the name of the individual currently holding the position.

Small purchases (up to \$1000) for which there is no formal purchase order or written contract or agreement, office supply orders, and books and subscription purchases may be made by departments without the approval of a vice president (or designee). Purchases over \$1,000 are generally subject to the provisions of this policy as well as the purchasing policies and procedures of the Office of Business and Auxiliary Services, available on-line at

http://www.goucher.edu/business/index.cfm?page_id=179 .

All contracts over the amount of \$100,000 must be approved and signed by the president.

SECTION 5. RECORDKEEPING REQUIREMENTS

The department responsible for the contract shall maintain the original signed agreement in its permanent departmental files and shall forward a copy of the contract to the Business Office for scanning into an electronic database. Retention periods for particular contracts are set forth in the college's Record Management Policy.

THIS POLICY IS EFFECTIVE AS OF _____, 2004.

Revised, September 2008.

Sanford J. Ungar
President