

GEORGETOWN UNIVERSITY



FINANCIAL AFFAIRS MANUAL

Issuing Department: Sr. Vice President/CFO & Treasurer		Topic Contracts	Policy # FA 102-08
New	Revised √ July 2007	Supersedes Policy #	Effective Date 04/11/07

102.1 POLICY

Contracts with External Businesses and Individuals

102.2 APPLICABILITY

All employees and members of the University Community conducting business on behalf of Georgetown.

Failure to comply with this policy can result in disciplinary action up to and including dismissal under Human Resources Policy #302.

http://www3.georgetown.edu/hr/employment_services/policies.html.

102.3 STATEMENT

Article III, Section 5 of the University's corporate bylaws states, "The Treasurer is the ordinary contracting officer of the University." Therefore, only the Treasurer has signatory authority to obligate the University to external entities. As a matter of practicality, the Sr. Vice President, CFO, and Treasurer has delegated signatory authority for contracts with lesser terms and amounts to certain individuals throughout the University. However, the Sr. Vice President, CFO, and Treasurer or his/her designee requires all agreements to be reviewed by respective campus experts prior to signature and without exception, all non-employment contracts with terms of thirty-six months or greater or a value equal to or greater than \$100,000.00 must also be signed by the Treasurer.

102.4 PURPOSE

In a dynamic and litigious society, the contracting environment entails a host of issues including business conflicts and legal, risk and tax considerations. These issues require expert review and are best understood by reducing the agreements to writing. Purchasing & Contracts has the expertise and central position to review agreements for conflicts and business considerations and as appropriate, solicit additional input of University Counsel, Risk Services and the Tax Department to ensure that that University's interests are best protected. University representatives must be careful not to obligate the University by agreeing, verbally or in writing, to any terms in advance of contract review by Purchasing & Contracts.

Ethical and legal considerations place verbal commitments in the same realm as written commitments and should be considered as binding as a written contract. As a precaution and standard course of business, University representatives are not to make verbal commitments on behalf of their department and the University without first consulting Purchasing & Contracts.

Human Resources, University Counsel and the appropriate executive vice president must review all contracts for employment to fully define the expectations of contracted employees. Please be careful not to extend offers of employment without first establishing the expectations of the potential candidate and position.

102.5 DEFINITIONS

Contract – Is a written or oral agreement with specific terms between two or more persons or entities in which there is a promise to do something in return for a valuable benefit as consideration, such as money.

102.6 ADMINISTRATION

All contracts pertaining to the purchase of goods and services, licensing and the lease or rental of equipment must be reviewed by Purchasing & Contracts prior to signature, regardless of value.

Employment contracts are to be handled through Human Resources and University Counsel and may only be signed by the respective Executive Vice President.

Leases related to land or property must be reviewed by the Office of the University Architect and may only be signed by the Sr. Vice President & Treasurer or his/her designee.

If you have any questions or any type of contract not listed, please contact Purchasing & Contracts for assistance at 202-687-2507.

Once reviewed and approved for signature by Purchasing & Contracts or appropriate department outlined above, area vice presidents or campus financial officers may sign agreements for amounts less than \$100,000 if the proposed term is less than thirty-six months. In addition to having the area vice presidents or campus financial officers signing such agreements, the Sr. Vice President and Treasurer must also sign all these agreements with a value greater than \$100,000.00 and/or a term of thirty-six (36) months or more.

Please plan for at least five (5) business days for contract review by Purchasing & Contracts, and at least fifteen (15) business days if changes or negotiation with the external vendor is required.

102.7 RESPONSIBILITIES

Department personnel with the authority to solicit proposed business agreements must first contact Purchasing & Contracts. Purchasing & Contracts reserves the right to solicit additional bids for goods and services and is responsible for the final selection of vendors.

102.8 ENFORCEMENT

Department budgets may be charged to remedy unfavorable contracts including legal fees. If a department does not have a contract reviewed prior to signature or verbal commitment, it also stands the risk of losing other purchasing privileges and personnel involved in avoiding this policy face disciplinary action, up to and including termination.

<http://www9.georgetown.edu/finaff/policytc.html>

102.9 REVIEW CYCLE

This policy will be reviewed as needed with changes from the Board of Directors.

102.10**RESOURCES**

For information about preparing and submitting a contract.

<http://www.georgetown.edu/finaff/procure/contracts/entrcptk.pdf>

Considerations When Beginning an IT Project –

https://gushare.georgetown.edu/xythoswfs/webui/_xy-2917880_2.

**Georgetown University Contract Transmittal Form – Policy FA
155.06**