

**IDAHO STATE UNIVERSITY**  
**POLICIES AND PROCEDURES**  
**Contract Administration**  
**ISUPP 10500**

*POLICY INFORMATION*

**Policy Section:** *Governance/Legal*

**Policy Title:** *Contract Administration*

**Responsible Executive (RE):** *General Counsel*

**Sponsoring Organization (SO):** *Office of General Counsel and Compliance*

**Dates: Effective Date:** *August 17, 2009*

**Revised:** *August 28, 2017*

**I. POLICY STATEMENT**

The effective administration of Contracts is an essential operational function of Idaho State University (“University”) and requires a centralized process of contract administration. A centralized process ensures that Contracts comply with legal, regulatory and financial constraints.

Centralized contract administration is in the University’s best management interest as a means of ensuring the following: (1) University obligations have been legally authorized; (2) compliance with federal, state and University regulations and policies has been addressed; (3) the liability exposure of the University has been evaluated; and (4) University maintains an awareness of all its legal commitments.

This policy establishes the process for University personnel to submit Contracts for review and approval where the University is a party to the Contract.

**II. AUTHORITY AND RESPONSIBILITIES**

- A. The University is a state entity and is therefore subject to state laws regarding procurement of goods and services, as well as compliance with all other state, federal, local laws and regulations.
- B. The Office of General Counsel (“OGC”) is responsible for the review and legal approval of all proposed Contracts where the University is a party (for exceptions see III.A. below). The OGC is responsible for all phases of Contract review, including drafting, negotiating, ensuring compliance with applicable laws, and maintaining accurate records of all fully executed Contracts. OGC has the authority and responsibility to disapprove any Contract that places the

University at unreasonable risk, based on concerns that include liability, compliance with state or federal law, University policy, or harm to the University's reputation.

### **III. DEFINITIONS**

- A. "Contract" means any document that is electronic, physical, or otherwise, that imposes an obligation on the University or obligates another party to the University, including but not limited to: contracts and agreements for the purchase or sale of goods/services; end user license agreements; terms and conditions; warranties; service agreements; consultant agreements; equipment rentals and leases; memorandums of understanding; letters of intent; letters of agreement; amendments, alterations, modifications, corrections, and changes to an existing Contract; licensing agreements; real estate agreements such as purchase, sale, rentals, licenses and leases; certain employment contracts; and affiliation agreements involving the placement of students for internships for academic credit. The fact that an agreement is not titled "contract" or "agreement" does not exempt it from this policy; the fact that a Contract does not involve the purchase of goods or services does not exempt that Contract from this policy.

Contracts that are exempt from this policy include the following: Contracts where the University is not a party; Contracts between the ISU Foundation and a non-University third-party; Contracts that are state contracts and handled through Purchasing; Contracts under the authority of the ISU Office for Research Sponsored Programs and Support; and Contracts under the authority of the ISU Technology Transfer Department.

### **IV. PROCEDURES TO IMPLEMENT**

- A. Any Contract reviewed and authorized before this policy's adoption that was in compliance with the then-existing policy remains in full force and effect. Any Contract not signed as of this policy's adoption is void and of no effect unless it is reviewed and authorized as set forth under this policy. Any Contract modification or extension made after this policy's adoption is subject to review and authorization under this policy.
- B. The University and the State of Idaho shall be bound to any agreement that is entered into as "Idaho State University."
- C. To secure the required approvals of a Contract and ensure the appropriate signature of the University personnel authorized to sign the Contract on behalf of the University, the following process shall be followed:
1. A Contract is submitted to the University's online contract system. Only Contracts submitted through the online system will be reviewed.
  2. The online contract system will forward the Contract for electronic approval to the appropriate supervisor, department chair, or college dean, and the departmental University Business Officer (UBO).

3. OGC will review and negotiate the Contract. Review by OGC can require several weeks depending on the subject matter of the Contract.
  - a. Review by OGC is to ensure that all Contracts comply with federal, state, and local laws, rules, and regulations and University policy. Any Contract that violates federal, state, or local laws, rules, or regulations or University policy, will not be approved. The chief responsibility of the OGC is to comply with all applicable laws and protect the interests of the University.
4. Upon review and approval pursuant to such procedures, and after any required changes are made to the Contract, OGC may forward the Contract for additional approvals by other University officials, based on the regulatory or compliance issues involved. These different compliance areas include the departments listed below:
  - a. Export Control: Contracts that involve the shipment or transfer, by whatever means, of controlled items, software, technology, or services out of U.S. or involve the disclosure of certain information to foreign nationals here in the U.S., must be reviewed to ensure they have appropriate export controls.
  - b. Risk Management: Contracts that present heightened risk or exposure of the University to liability or that require a Certificate of Financial Responsibility will be reviewed by the University Risk Manager or Assistant Risk Manager.
  - c. HIPAA/FERPA: Contracts that involve the creation, storage or transmission of protected health information, or personally identifiable student information, will be reviewed to ensure that the Contract complies with the regulations pursuant to the Health Insurance Portability and Accountability Act (HIPAA) and the Family Educational Rights and Privacy Act (FERPA). This subject of review includes the licensing agreements for the use of third-party software systems in the classroom that requires identifiable student information, even if the software was obtained at no cost.
  - d. Chief Information Officer (CIO): Contracts that involve the use of software products, including storage of information will be reviewed by the University CIO to ensure compliance with University security standards. This includes a review of requirements for a third party to have adequate security protocols in place to securely store and transmit electronic information.
  - e. Purchasing: Contracts involving the purchase of goods and certain services will be reviewed by the University Purchasing Department to ensure all Contracts comply with federal, state and local rules. Purchasing also has the authority to sign Contracts for a purchase of goods that are under \$10,000.
  - f. Facilities: Contracts regarding the leasing, licensing, sale or rental of any real property that involves the University as a lessor, lessee, licensee or licensor requires the review of the OGC, and may require the approval of the State of Idaho Department of Administration and

must adhere to the laws of Idaho and the State Board of Education regulations. Because of the complexity of the laws involved in these Contracts, any department that contemplates such an agreement will need to consult the OGC.

- g. State Board of Education: Contracts with a value over \$500,000 and Contracts for the purchase, sale, or exchange of real property must, in most cases, be approved by the State Board of Education.
  - h. Chief Financial Officer (CFO): all Contracts with a value over \$10,000 must be approved by the CFO.
5. When the additional approvals are completed, the Contract will be sent to the third party for signature.
  6. Once the third party signature has been obtained, OGC shall print out the Contract and send it to the appropriate University personnel who has signature authority. Only authorized personnel have signatory authority. Authorized personnel are limited to the following:
    - a. President
    - b. Executive Vice President and Provost
    - c. Vice Presidents
    - d. Athletic Director
    - e. Associate Vice President for Facilities
    - f. ISU Purchasing Department
    - g. Delegated personnel

The authorized personnel may delegate review and/or signing authority to a University employee over which she or he has direct oversight. Such delegated authority must be in writing and must be submitted to OGC before the Contract is signed. All delegations of signing authority must be renewed annually, with a record of the delegation retained by OGC. Electronic and physical signatures are acceptable under this policy.

7. Any individual who signs a Contract in violation of this policy may be disciplined, up to and including termination.
8. A Contract will be fully executed once all required signatures have been obtained. Once a fully executed Contract has been received by OGC, an electronic copy will be sent to the originating department and a fully executed electronic copy of the Contract will be retained by the OGC.

**PRESIDENTIAL CERTIFICATION**

**Approved:** *Arthur C. Vailas*  
*President, Idaho State University*

**Date:**