



## Procedures Manual

**Number: FIN-241**

**Policy Number (if applicable):**

**Office of Primary Responsibility:**

**Title of Procedure: Contract Review and Approval Procedures**

**Effective Date: 02/15/2022**

**Revised Date:**

**Reviewed Date: 02/15/2022**

**Purpose:**

The purpose of this procedure is to outline the review and approval process for Hocking College contracting agreements entered into by related and non-related entities. It is imperative that all employees of Hocking College know and understand this contracting process and the approval authority so as not to inappropriately bind the college in a legal contractual way.

**Definitions:**

1. A "Contract" is any agreement between the College and another party that creates obligations and/or liabilities on behalf of the College. An agreement can create obligations and liabilities even if no money is exchanged.
2. A "Scope of Work" is a detailed, written description of the work to be performed and completed, including the project's goals, objectives, activities, timetables and final deliverables.
3. A "Term" is the precise period for which the contract is in effect.
4. A "Condition" is an element that clarifies, obligates, or imposes some requirement(s) to be fulfilled that is binding as an element of the agreement.

Procedures:

A. Review of Contracts

Contracts that require review by the Office of the President or designee include, but are not limited to, agreements for:

- academic affiliations (domestic and international)
- continuing education programs
- consultants
- data use
- employment
- filming
- health services
- website and software licenses
- any goods or services (including food and beverages)
- memoranda of understanding
- subscriptions
- private partnerships
- public partnerships
- services to be performed by the College
- memoranda of understanding
- publishing
- space rentals
- student and faculty exchanges
- study abroad programs
- faculty-led programs
- equipment leases

## B. Unauthorized Approval of College Contracts

No employee or agent of the College has the authority to enter into any contract on behalf of the College, unless so designated in writing by the College President. Designation of signatory authority requires valid and effective delegation of authority before individuals may execute agreements on behalf of the College consistent with all other applicable College purchasing and agreement-related policies and procedures.

An agreement that is not expressed in writing and approved and executed in accordance with this procedure shall not be binding or enforceable against the College.

Commitments made by unauthorized employees may become their personal obligation and may subject them to disciplinary action. Any employee who signs a contract or seeks to bind the College to an agreement in violation of this policy may be subject to discipline, up to and including termination and may be held personally liable for those commitments. Personal liability may include responsibility for all costs associated with an unauthorized contract, purchase order or any other obligation or expenditure, including attorney's fees.

## C. Terms and Conditions

Contracts are subject to terms and conditions, and therefore must include a specific beginning and ending date.

Clauses not permitted:

1. Automatic Renewal: In accordance with Ohio state law the College does not allow contracts to contain an automatic renewal clause.
2. Every contract must include a clause permitting the College to terminate the contract at will within a reasonable period, i.e. 30 days.
3. Limitation of Liability: The College does not allow a contracting party to limit their potential liability except in rare or specific circumstances. All rights of recovery against others are automatically transferred to Hocking College and Liability insurance carriers. Limiting this recovery could adversely impact the College's insurance coverage.

## D. General Conditions

Services to be performed under any contract are not to commence and payment is not to be provided until the contract is approved and fully executed in accordance with this procedure.

All contracts must comply with Ohio state law, Ohio Higher Education regulations and applicable federal legislation, and College policies and procedures.

Whenever possible, employee must use pre-negotiated contracts, i.e. office supplies, etc. Refer to the contracts and agreements listed on the Ohio Higher Ed website for the Inter-University Council of Ohio Purchasing Group (IUC-PG) (<http://www.iucpg.com/supplier-information/price-agreements>).

Contracts, amendments and change orders are approved based only after a thorough review and recommendation of the appropriate Vice President to the President. Contract amendments and change orders are to be considered as part of the overall value or term of the contract.

Contract amendments are used to formalize changes to the original contract, which may include but are not limited to amounts payable, goods and services supplied, due dates or extensions must be approved by the President or designee. Contract amendments are not be used to extend a project beyond its originally intended scope, or to circumvent the need to bid an additional project.

Change orders formalize changes to construction and renovation projects, either to reduce or expand the scope of work in response to circumstances discovered after the contracted work has commenced. As with contract amendments, change orders are not to be used to circumvent the need to bid an additional project.

All employees that have purchase recommendation or approval responsibilities are reminded that they must annually review the Ethics and Conflict of Interest training, sign the Conflict of Interest, and abide by Ohio state laws. Employees must declare any actual or potential conflict of interest as described in these procedures. Employees who have conflicts of interest must excuse themselves from recommending purchases or approval of purchases where a conflict or potential conflict of interest situation exists. Failure to abide by these regulations and procedures may result in disciplinary action up to and including dismissal.

Forms and Process