



<b>Policy Name</b>	Contract Review, Approval and Signing Authority
<b>Policy Category</b>	Entire Campus
<b>Policy Sub-Category</b>	Authorized Signers of the College
<b>Policy Approved By</b>	Cabinet/Board of Trustees
<b>Responsible Division Head or VP</b>	Authorized Signers
<b>Responsible Department</b>	Contract Owner/Contract Relationships Owner
<b>Responsible AVP or Director</b>	Data Trustees
<b>Original Policy Date</b>	N/A
<b>Last Known Revision Date</b>	N/A
<b>Current Policy Effective Date</b>	10/17/2020
<b>Recommended Policy Review Date</b>	10/17/2021 Internal review
<b>Policy Applies To</b>	Administrators
<b>Additional Authority/References</b>	Reference: Information Retention Policy and Contracts Procedure

**POLICY PURPOSE**

This document sets forth the guiding principles for contract review, approval, and execution.

**BACKGROUND**

Given the role of Albright’s administrators and the need for contracted goods and services, creating a policy for guidance is essential for the betterment of all involved. The workflow understanding was not formally written in years’ past.

**DEFINITIONS**

<b>TERM</b>	<b>DEFINITION</b>
<b>Authorized Signers</b>	Designated Senior Level Administrators that have been granted signing authority by the Board of Trustees to conduct business on behalf of the institution.
<b>Contract Owner</b>	The contract owner is the representative who brought forth the contract for consideration, in circumstances where the contract is an Albright template, the owner would be the Albright employee who shared the contract to an individual/sole proprietor, corporation, partnership, or limited liability company

<b><u>Contract Relationship Owner</u></b>	Under circumstances when the company has supplied the contract, the role of contract owner falls on the company and the Albright requestor assumes the role as Contract Relationship Owner.
<b><u>Conflict of Interest</u></b>	Situations in which Covered Individuals have interests or relationships, including a financial interest or a personal or Business Relationship the might reasonably be construed to affect their independent, unbiased judgement when making or participating in the making of decisions on behalf of the Institution where such decisions will or could materially benefit them directly, indirectly or their family.
<b><u>Covered Individual</u></b>	Employees or volunteers, and their family members, of the institution that may serve as an officer, director, employee, partner, trustee, and controlling stockholder of an organization that does or is about to do substantial business with the Institution.
<b><u>Funding</u></b>	Identified funding source within the department or division responsible for payment of the contracted goods and/or services. This should be allocated within the budget for each year.
<b><u>Legal Counsel</u></b>	Consultation with an attorney is required in certain contracts and should be reviewed if there is any question to the contractual language not already revised by the Insurance review with EIIA given the local and state laws for Pennsylvania
<b><u>Risk Management</u></b>	Forecast, identify, evaluate and control the risk included in the potential problems before they occur. Main types of risk are strategic, compliance, operational, financial, and reputational.
<b><u>Vendor Relationship Disclosure</u></b>	Disclosure by a Covered Individual or from a business in which Covered Individual owns a 10% or greater interest. A Family Member of a Covered Individual or from a business in which a Covered Individual's Family Member owns a 10% or greater interest.

**POLICY TEXT**

1. **Purpose:** this document sets forth guiding principles for contract review, approval, and execution.
2. **General considerations and notes:**
  - a. *Funding:* The contract owner or contract relationship owner must confirm that adequate funds for both initiation, ongoing expenses, and annual increases have been identified and authorized. This information should be communicated as part of the signature process.
  - b. *College Mission and Policies:* Contracts must align with the Albright's core values and mission, as well as other policies. Contracts not aligned with such shall be brought to the attention of the divisional cabinet member and the vice president for finance and strategic partnerships.
  - c. *Business Conduct and Conflict of Interest, Vendor Relationship Disclosure:* All contracts are subject to the terms and conditions of Albright's Business Conduct and Conflict of Interest

Policy and Vendor Relationship Disclosure Form to identify any Covered Individuals within the contract relationship.

d. *Standard Agreements.* Albright's risk management personnel have the College templates for independent contractors and speakers, NDA agreements, and lease agreements for properties.

3. **Ownership:** In any case, the contract owner or contract relationship owner should always review the contract terminology and legalities:
  - a. Term / Length of Agreement
  - b. Off-ramps: Notice provisions that allow us to get out of an arrangement with and without cause
  - c. Service Level Agreements (SLAs): Contractual required services and associated metrics that measure if the contracted services are being provided. Failure to meet SLAs can trigger contract clauses for compensation and potentially breach/off-ramp contract clauses.
  - d. Any penalties for leaving an agreement early or if the contract includes automatic renewal (which should be avoided).
  - e. Exclusivity – whether the vendor is requiring that we only procure the services from them
  - f. Indemnification and Insurance sections, which requires EIA review
  - g. Governing Law – should be negotiated as the state and county of the institution, Pennsylvania and Berks County.
    - i. Exceptions to PA and Berks County must be reviewed and granted by the Vice President for Finance and Strategic Partnerships
  - h. Data, information security, and all information privacy
    - i. Collaboration with Chief Information Office is required to ensure this review occurs for agreements involving systems and data.
    - ii. College standard addendums – has developed a standard addendum for information security and may generate additional standard addendums. Contract owners are responsible for providing these addendums to providers for incorporation into binding agreements.
4. **Contract review:** Once the contract has secured funding and in phase for full execution, a contract review will be conducted.
  - a. **The following contracts for goods or services which require a review:**
    - i. contracts involving the lease or purchase of real estate
    - ii. contracts involving the use of College facilities.
    - iii. contracts requiring the College to provide indemnification or insurance.
    - iv. contracts involving the use of the College's intellectual property.
    - v. contracts involving high risk activities (e.g. off-campus service trips).
    - vi. contracts in which the College provides off-campus educational programs.
    - vii. contracts for large construction and/or renovation projects involving one or more owners and one or more contractors

- b. **Insurance and Risk Management Review.** Contract owner or contract relationship owner distributes contract to the head of Albright's Risk Management office for a legal and insurance limit review. It typically takes about 5-7 business days to receive the recommendations for negotiation.
- c. **Legal Counsel Review** (when a contract requires review by legal counsel)
  - 1. Contracts involving a financial commitment of a \$100,000 or more of total contract value must be reviewed and approved for legality by the College's legal counsel.
  - 2. Albright has standard lease agreement from legal counsel for simple lease arrangements.
- d. **Information Security and Privacy Review.** Information and data security is a priority, it is treated and classified accordingly. Contracts involving an exchange of restricted or highly sensitive data requires consultation with CIO of Digital Strategy and Infrastructures (DSI) to ensure compliance of data handling. DSI will initiate Albright's Vendors Information Security Review procedure. The review process typically takes 5-7 business days to complete, provided that the contract vendor is responsive to requests for documentation and information.

5. **Contract Approval:** (determined by contract amount)

- a. Board of Trustees: \$3,000,000 or more.
- b. President: \$250,000 or more but less than \$3,000,000
- c. Vice president for finance and strategic partnerships, Senior Vice president of student and campus life and Senior Vice President for Academic Affairs and Provost approve contracts with a total contract value up to \$250,000 overall financial commitment.
- d. All Cabinet members have signature authority on contracts of value less than \$10,000 if the expense comes solely from their own divisional budget.
- e. In addition to the above, the following documented approvals are required on specific types of contracts:
  - i. Provost approves all academic and honorarium contracts within the division.
  - ii. Vice president for student and campus life approves all SGA and student organization contracts.
  - iii. Vice-president for finance and strategic partnerships approves all facilities and real estate contracts.
  - iv. Chief information officer approves all contracts involving IT purchases or services and all contracts where the service involves the exchange of data between Albright and the vendor.
- f. In addition to the above approvals:
  - i. All contracts valued at \$10,000, the Controller's Office must verify the adequacy of the funding source in the context of the approved operating and/or capital budget.
  - ii. All contracts with a term of more than two years must be approved by both the vice president of finance and strategic partnerships and by the president.

6. **Signing Authority.** Once review and approval is complete, contract signing commences, within the following guidelines:
- a. **Presidential signature authority.** President’s signature is valid for all Board and President-approved contracts.
  - b. **Official president/vice president signature authorities.** By authority of the Board of Trustees, the academic affairs, student and campus life, finance and strategic partnerships vice presidents, and the president are signature authorities for Albright College. These officials are authorized to sign any contract, other than those contracts which require approval by the Board or the President, as defined by the above parameters.
  - c. **Divisional Cabinet leaders.** Aligned with the approval process, all Cabinet members have signature authority on contracts of value less than \$10,000 over a term of one year, if the expense comes solely from their own divisional budget. (The divisional vice president is responsible to share the fully executed copy with the assistant to the business and finance vice president, who is responsible for maintaining both paper and electronic copies of all executed contracts.)
  - d. **Facilities.** All facilities contracts, no matter the term or the value, require signature by the vice president of finance and strategic partnerships. Construction contracts, depending on the specified total amount, may require two authorized signers’ approval.
  - e. **Human resources.** The Director of Human Resources may sign salary letters and employment contracts, when approved to do so by the appropriate vice president.
  - f. *Other:* Where the College is receiving license fees, royalties, etc., such contracts must be reviewed by the appropriate cabinet member, the vice president for finance and strategic partnerships and legal counsel, and must be signed by the vice president for finance and strategic partnerships.
7. **Communication of fully executed copies and record-keeping.** The final signatory is responsible to share the fully executed document within the central repository for contracts and agreements entered into within the current fiscal year. Records should be maintained by all Data Stewards and Data Trustees in accordance with Albright’s policy on information retention.

**ASSOCIATED PROCEDURES LOCATION**

Contracts Approval and Signing Procedure, draft 03.24.2020  
 Information Retention Policy

**REVISION LOG**

DATE OF REVISION	MAJOR CHANGES
	<i>(Note: electronic copies of the former versions of the policy must be maintained within the unit, department, or division)</i>
10/17/2020	Board of Trustees Meeting – motion passed
10/12/2020	Audit & Risk Board Committee – motion passed

10/8/2020	Finance Board Committee – motion passed
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**IMPLEMENTATION PLAN** - For decision-making purposes only. This will not appear in the Final Policy that is posted to the Policy Repository.

The implementation plan may include a timeline, plan for communications to campus, and any necessary training essential for the rollout of the policy.
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**DECISION** – For decision-making purposes only. This will not appear in the Final Policy that is posted to the Policy Repository.

<b>Date of Draft Policy Review</b>	10/17/2020	
<b>Name of Reviewing Committee/Individual</b>	Board of Trustees, Finance Committee, and Audit & Risk Committee	
<b>Date Approved</b>	10/17/2020	Comments: Required Board of Trustee approval
<b>Date Rejected</b>	Click or tap to enter a date.	Comments:
<b>Date Draft Tabled or Further Review Needed (provide comments including plan for re-submission)</b>	Click or tap to enter a date.	Comments: