

POLICY #7.7

SUBJECT: University Contracts

I. PURPOSE

The purpose of this Policy is to describe what is a University Contract and requirements for and approvals needed to enter into those Contracts.

II. REFERENCES

- A. Southern Utah University [Policy 5.7 Conflicts of Interest](#)
 - B. Southern Utah University [Policy 5.24 Purchasing](#)
 - C. Southern Utah University [Policy 5.53 University Archives and Records Policy](#)
 - D. Southern Utah University [Policy 5.62 Code of Ethics](#)
 - E. Utah Code [§ 63G-6a-101 et seq. Utah Procurement Code](#)
 - F. Utah Code [§ 67-5-5 Hiring of legal counsel for agencies -- Costs](#)
 - G. Utah Code [§ 67-16-101 et seq. Utah Public Officers' and Employees' Ethics Act](#)
 - H. Utah State Legislature [H.B. 346 Funding Independence in Foreign Language Education](#)
 - I. Utah System of Higher Education [Policy R532 Acceptance and Approval of Contracts and Grants](#)
 - J. Utah System of Higher Education [Policy R571 Purchasing](#)
 - K. Utah System of Higher Education [Policy R587 Contract or Lease-Purchase Financing](#)
 - L. Utah System of Higher Education [Policy R712 Nontraditional Arrangements for Development of Facilities on Campus](#)
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III. DEFINITIONS

- A. **Authorized Alternate:** An individual designated to act on an Authorized Signatory's behalf in matters requiring signatures on Contracts as outlined in this

Policy. An Authorized Alternate may exercise such authority in the planned or occasional absence of an Authorized Signatory.

- B. **Authorized Signatory:** University administrators expressly authorized to sign University contracts to bind the University.
- C. **Contract:** Any legally executed University agreement for Goods or Services or document that otherwise binds the University and another party to obligations, regardless of any monetary amount or the name of the document.
- D. **Contracting Unit:** The SUU office that is responsible for and needs the contract at issue to carry out their University duties.
- E. **Goods:** See SUU [Policy 5.24](#).
- F. **Services:** The furnishing of labor, time, or effort by a third party that does not involve the delivery of a specific end product, other than reports. Excluded from this for purposes of this policy are employment agreements with University employees.
- G. **University Administrator:** Employees who make decisions on behalf of the University.

IV. POLICY

- A. **Scope of Policy.** This Policy is designed to set out requirements, reviews, and approvals for all University Contracts, unless expressly excluded. Employment agreements with University employees are not included within the scope of this Policy.
- B. **General Requirements**
 - 1. **Contracting Unit Responsibility.** The Contracting Unit is responsible for understanding and approving the terms and conditions of the Contract and is responsible for seeing that this and all other applicable University policies and procedures are followed in the execution and administration of the Contract, including the required reviews set out below.
 - 2. **Consistent with Legitimate University Business Purpose and Compliance with laws and policies.** Every Contract must have a legitimate business purpose, must be appropriate for the circumstance, and must comply with applicable federal laws, state laws, governmental regulations, University

policy, and University guidelines. The Contracting Unit is responsible for ensuring these are met.

3. Ethics. Be compliant with SUU [Policies 5.7, 5.62](#), and all applicable ethics obligations.
 4. Form of University Contracts. University Contracts must be in writing with Authorized Signatory signatures; [Authorized Alternates](#) may sign University Contracts when and to the extent expressly delegated on the Contract Signature Authority public website. When templates are available from the various units responsible for Contract reviews, University employees are strongly encouraged to use those.
 5. University as Contracting Party. “Southern Utah University” shall be the contracting party for all Contracts that bind the University.
 6. Acceptable business risks. Units must not enter into a Contract that presents an unreasonable risk of harm to the University’s mission, reputation, or funds. To make this determination, units should consider the likelihood that a risk would arise; the likelihood of damage if the risk arises; and the most likely worst case when damage occurs.
- C. Contract Review Processes. Which University offices need to review a Contract depends on the nature of the subject matter in the Contract. A list of University Contract-related offices and the types of Contracts and terms each needs to review is included on the Office of Enterprise Risk Management webpage. The Responsible Contracting Unit, in conjunction with the Manager of Compliance and Contract Administration, must seek and obtain approval from all applicable office(s). Generally, the reviews from the various business units shall precede the legal review by the Office of Legal Affairs. (Automated review processes may also be used in the future to facilitate these reviews.)
1. Legal Review
 - a. After receiving review by the other offices listed above, University administrators shall send the Contract to the Office of Legal Affairs for a legal review.
 - b. Templates. If a Contract uses a template previously approved by the Office of Legal Affairs within the last three (3) years, then legal review is not required so long as there are no substantive changes to the language.

D. Required Contract Terms. Required terms for all University Contracts, which are in the “SUU Government Entity Required Contractual Provisions Attachment,” shall be incorporated in every University Contract and a link to which can be found under [Section V](#).

1. The following language should be used in the body of the Contract, above the signature line, to incorporate the Government Entity Required Contractual Provisions Attachment: “The Provisions found in the Government Entity Required Contractual Provisions Attachment, which is attached hereto, are hereby incorporated in this Contract and made a part hereof.”

2. Other language may be needed for other attachment(s), if any, as described within those documents at the above link. Business Units should consult with the Manager of Compliance and Contract Administration.

E. Contract Signature Authority/Delegations. University employees are not authorized to sign Contracts on behalf of the University, except for the University President or as expressly delegated by the University President as set out on the Contract Signature Authority public website. No other individuals can bind the University to a Contract.

F. External Approvals. Pursuant to Utah System of Higher Education policy, external approvals for agreements may be required, such as:

1. Policy R532 Acceptance and Approval of Contracts and Grants;
2. Policy R587 Contract or Lease-Purchase Financing;
3. Policy R712 Nontraditional Arrangements for Development of Facilities on Campuses;
4. Pursuant to Utah Code § 67-5-5, the hiring of legal counsel is subject to approval by the Utah Attorney General's Office,

G. Electronic Signatures. Electronic signatures in Utah are governed by state law and are generally legally binding.

1. The University may use e-signature software to sign Contracts.
2. When e-signature software is not available, the following electronic methods are acceptable:

- a. logging into a password-protected system and taking an affirmative action to indicate the document is being signed, including checking a box or typing the person's name in the document;
- b. physically signing and scanning the document;
- c. typing '/s/ [insert name]' in the signature line of an electronic document and returning the document via a system that assures the document was signed by the named person (e.g., through a password-protected system);
- d. sending and receiving electronic signatures internally from an suu.edu email product sent to another suu.edu email product recipient.

3. Misuse of electronic signature as defined by this policy, Utah state law, and/or federal regulation, is subject to sanctions up to and including suspension, termination, and/or criminal prosecution.

H. Records Retention. Contracting Units are responsible to maintain Contracts based on records retention schedule. Contracting Units should maintain originals and determine whether any reviewing offices want to retain a copy. See SUU [Policy 5.53](#).

V. RELEVANT FORMS/LINKS

- [Contract Signature Authority/Delegations](#)
- [Office of Legal Affairs Contract FAQs](#)
- [Office of Enterprise Risk Management](#)
 - [Guidelines for Contract Management, Review, and Approval](#)
 - [SUU Government Entity Required Contractual Provisions Attachment](#)
- [Purchasing Department](#)
 - [Delegation of Authority](#)

VI. QUESTIONS/RESPONSIBLE OFFICE

The responsible office for this Policy is the [Vice President of Finance](#). For questions about this Policy, contact the [Information Technology Department](#), [Purchasing Department](#), [Office of Enterprise Risk Management](#), and/or the [Office of Legal Affairs](#), as applicable.

VII. POLICY ADOPTION AND AMENDMENT DATES

Date Approved: [September 23, 2022](#)

Amended: June 1, 2023 (non-substantive amendment)

FORMER POLICY
DO NOT USE