

CONTRACTS

Ann Jensen
Contracts Coordinator
Business Services

WHAT IS A CONTRACT?

Contract [*noun*; **kon**-trakt]

- 1) An *agreement* between two or more parties for the doing or not doing of something specified.
- 2) An agreement enforceable by law.
- 3) The written form of such an agreement.

Note: Contracts are also called **agreements**, **MOUs** (memorandum of understanding), and **proposals**. Also, if you see **terms of service** on a document, it's probably a contract.



TYPES OF CONTRACTS



- Payable Contracts
- Receivable Contracts
- Other Contracts:
 - Affiliation Agreements
 - Other Non-monetary Agreements

Reminder:

- No matter what type of contract is needed, it must be fully executed (signed by both parties) ***PRIOR to the start of services.***

PAYABLE CONTRACTS

The most common - *Payable Contract*.

Some examples are:

- A recurring service (shredding, software license, cleaning/repair, etc.)
- Subscriptions and annual renewals (e.g., software)
- Outside contractor performing a one-time or reoccurring service (speaker, training, guest performance, faculty/staff development, etc.)
- Use or rental of external services or equipment (facility rental, table/chair rental, catering, etc.)



OTHER TYPES OF CONTRACTS

Receivable Contracts

Revenue will be **received** by the District, such as for:

- Grants
- Lease agreements
- Training services
- Educational services
- Categorical funding
- Other district-provided services

Non-monetary/Other Contracts

These are contracts where the District has an agreement with another entity, such as a school or business, but there is **no cost involved**. Such as:

- An MOU
- Facility use
- Affiliation agreement (e.g., work experience, etc.)
- Use/loan of District equipment

AUTHORIZING CONTRACTS

- To protect the District from fiscal or other potential liability, the Board of Directors limits who can sign contracts on behalf of the District
- Directors, Deans, and other faculty or staff may not sign contracts, even non-monetary agreements
- **The Vice President of Business Services is the District's contract signor** as this position is authorized by Board policy to enter into contracts



STEPS TO REQUEST A CONTRACT – PAYABLE

Step 1: Enter contract details into an “A” Purchase Requisition in **Galaxy** (Galaxy calls this A-USER DEFINE REQUISITION).

Include:

- Date range (start/end dates)
- All vendor contact information and vendor e-mail
- Detailed description of service to be contracted for
- Cost
- Include any other information that would be helpful to Contracts, Purchasing, or Accounts Payable

Step 2: Print a PDF copy of your PR, saved with the “A” number (e.g., **A0006222 ABC Software**) and send it via e-mail with all backup documentation (quote/proposal, etc.) to your VP and Dean for approval.

Step 3: Once your VP/Dean have approved the request, send the approval e-mail(s) (as forwarded attachments or PDF files); PDF copy of PR; and all backup documentation to BusinessServices@MSJC.edu. Be sure to use your PR number in the subject line of the e-mail for tracking purposes.

Important Notes/Reminders:

- Due to the volume of e-mail requests received, please do not include Business Services until approval has been received from your VP/Dean.
- All contracts exceeding **\$25,000** must be Board approved **prior to being signed**. *Keep this in mind when planning your requests to allow adequate time for approvals!*

STEPS TO REQUEST A CONTRACT – PAYABLE



Don't forget:

- Be as detailed as possible!
- Send to Business Services e-mail **after** approval has been received from your VP/Dean.
- Contracts exceeding **\$25,000** must be Board approved prior to being signed.

STEPS TO REQUEST A CONTRACT - RECEIVABLE



Step 1: Complete a **Request for Contract Form**. Be sure to include all required details and contact information, including the budget code.

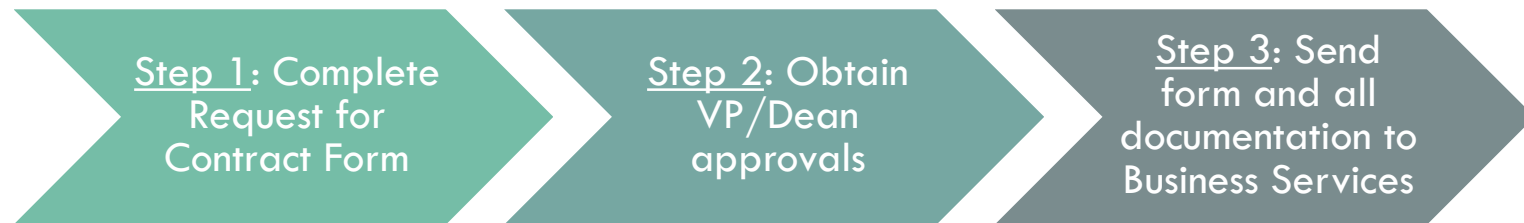
Step 2: Obtain your Dean/VP approvals (via e-mail or signature on the form – either is fine)

Step 3: Send the form with any backup documentation to BusinessServices@MSJC.edu

Don't forget:

- Contracts exceeding **\$25,000** must be Board approved prior to being signed.

STEPS TO REQUEST A CONTRACT - RECEIVABLE



Don't forget:

- Contracts exceeding **\$25,000** must be Board approved prior to being signed.

STEPS TO REQUEST A CONTRACT — NON MONETARY/OTHER

Step 1: Complete a **Request for Contract Form**. Be sure to include all required details and contact information.

Step 2: Obtain your Dean/VP approvals (via e-mail or signature on the form – either is fine).

Step 3: Send the form with any backup documentation to BusinessServices@MSJC.edu.



STEPS TO REQUEST A CONTRACT – NON MONETARY/OTHER

Step 1: Complete
Request for
Contract Form

Step 2: Obtain
VP/Dean
approvals

Step 3: Send
form and all
documentation to
Business Services

WHAT HAPPENS NEXT?

The Contract Coordinator will review documentation, vendor agreement, proposal for:

- VP/Dean approvals
- Start and end dates
- Termination clause, hold harmless/indemnification clause
- Litigation clause
- Deliverables
- Any risk/liability associated with the contract
- Any terms unfavorable to the District
- Confidentiality (student/employee)
- Payment terms



WHAT HAPPENS NEXT?



After review, the Contract Coordinator will:

- Follow up with requestor if there are any questions or missing information
- Prepare the contract for signature
 - Note: This could include obtaining approvals **prior to signature** from Risk Management, Categoricals, Payroll approval (for independent contractors), or the IT Department.
- Send the contract and backup documentation to the Vice President of Business Services for final review/signature
- If over \$25,000, the VP's office obtain Board approval prior to signing
- Receive back from VP's office
- Send to vendor for signature and monitor receipt of fully executed contract

CONTRACT STATUS

For the status of your contract, view the Excel **Contract Tracking Sheet** found on the shared “N” network drive at:

- <N:\Public\Departments\Business Services\CONTRACTS\2018 - 2019 Contracts\2018-2019 Contracts>
- Once the Excel spreadsheet Click on the appropriate tab (Payable, Receivable, Affiliation, Other) to view the status of your request
- If needed, copies of contracts can be found in the same location. *Please note that “EA” in front of the document name indicates a fully Executed Agreement.*



FINAL REMINDERS



- Plan ahead and ask questions before you begin. Reach out to your Department, the Contracts Coordinator, Purchasing, etc. as needed to get your questions answered before you get started to assure a smooth process.
- Assure all details in the PR are complete (e.g., start/end dates; specific services requested; contact information and e-mail address, etc.).
- Include the PDF of the PR, approvals, and all backup documentation (e.g., quote, proposal, invoice, etc.) when you send your request.
- For more efficient and quicker contract processing, please send to BusinessServices@MSJC.edu **AFTER** you have received approvals from your Dean/VP.
- Be responsive if the Contracts Coordinator contacts you for clarification or more information. The quicker you respond, the quicker the contract can be completed.

I NEED HELP!

Please call the Contracts Coordinator at **x3014** or e-mail BusinessServices@MSJC.edu if you have any questions or need assistance.

We are here to help!

