

Policy: **Contracts & Purchasing**

Date: February 24, 2022

Source: Vice President for Finance and Planning

Purpose: To establish policies regarding contracts

---

A contract is a legally binding agreement between two parties. It may take the form of a purchase order, an expenditure authorization, a letter of agreement, correspondence on College letterhead, an oral agreement, or a written document prepared by either the College or another party.

The following ethics should be adhered to when entering into a contract: to give first consideration to the objectives of the College, to strive to obtain the best value, to maintain a relationship that is above reproach with each vendor, and to adhere to the College's nondiscrimination policies.

Only certain officers of the College have the authority, given by the Beloit College Board of Trustees, to sign contracts. All contracts over \$2,500 must be reviewed and signed by the Vice President for Finance and Planning. The College is responsible and liable for any contract issued in its name, regardless of whether the individual who signed has the authority to do so on behalf of the institution. Signing a price quote, even without additional supporting materials, constitutes a contract and is legally binding. College employees should enter into a contract only if it is within the scope of their job responsibilities.

Every contract must include basic details such as who is entering into the agreement, what good or service will be provided, where and when such exchange will take place, and the cost. Depending on the nature and scope of the contract, the following areas should be considered:

- Payment Terms
- Timeliness for VFPF signature and returning the contract
- Criteria for acceptable standards of performance
- "Rider" provisions presented by a performer or by the College
- Copyright permission for public performances
- Any "standard contract elements" including: governing law, confidentiality, term/renewal, force majeure, indemnification, assignment, conduct of personnel, use of College facilities beyond that which is necessary to perform services under the contract, standard performance, use of trademark, or four corners. If any of these elements are included in the contract, please contact the Office of the Vice President for Finance and Planning for review.

While there is no standard contract provided by the College, there are elements that must be included in every contract. At a minimum, every contract should include who is entering into the agreement, what good or service will be provided, where and when such exchange will take place, and the cost. A number of other elements may be present in a contract; several of these are identified above. If questions remain, please contact the Office of the Vice President for Finance and Planning.

The College now has a standard contract that may be used when engaging a lecturer or performer. Questions regarding the applicability of the various components of the contract should be directed to the Office of the Vice President for Finance and Planning.

Never agree to indemnification of other parties, change of governing law or venue, acceptance by default [unless notice is made], additionally insured, waiver of warranties [expressed or implied], consequential damages, responsibility for negligence, or other vague penalties and limitations without prior consultation with the Office of the Vice President for Finance and Planning. The most important points to achieve in any agreement are a clearly defined purpose of the agreement between the parties, the deliverables under the agreement, the objective terms of evaluating performance, and the terms of payment.

If assistance is needed with this process, consult the Office of the Vice President for Finance and Planning.