



## Ohio Administrative Code

### Rule 3342-5-04.1 Administrative policy for contract administration.

Effective: March 1, 2015

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(A) Purpose statement. This policy designates the process by which university officials are authorized to negotiate and enter into contracts on behalf of Kent state university by providing a centralized approach to contract administration under the authority established in rule 3342-5-04 of the Administrative Code. As of the effective date of this policy, all previous delegations not evidenced in writing or in other rules of the Administrative Code are suspended and such delegations should be resubmitted for approval in accordance with this policy.

This policy operates in conjunction with the contractual delegations being concurrently established under rule 3342-7-12 of the Administrative Code.

(B) Scope. This policy applies to all employees at Kent state university, whether temporary, part-time or full-time positions. This policy applies to original contracts and agreements, as well as all amendments, alterations, modifications, corrections, changes and extensions. This policy does not include offers of employment, which are the sole responsibility of the office of the senior vice president for academic affairs and provost and the division of human resources.

(C) Definitions.

(1) Contract. For the purpose of this policy, "contract" means all written agreements intending to have legal effect between two or more parties where Kent state university, or any department within the university, constitutes one of the contracting parties.

(a) The term "contracts" includes, but is not limited to, memorandums of understanding, agreements, service contracts, settlement of disputes, rental/lease agreements, affiliation agreements, liability waivers, assignments of rights and/or licensing agreements.

(b) The term "contracts" does not include agreements between department/units of Kent state university.



(c) Exclusions. This policy does not apply to the following: faculty and instructor contracts executed by the senior vice president for academic affairs and provost, employment contracts executed by the division of human resources, student employment contracts executed by the division of enrollment management and student affairs, contracts executed by student organizations, or private and personal matters of employees. This policy does not apply to, nor does it seek to replace, the board of trustees as the contracting authority for certain agreements as required by Chapters 3341 and 3345 of the Revised Code or rule 3342-2-01 of the Administrative Code.

(2) Contracting authority. For the purpose of this policy, "contracting authority" means university personnel who have been provided signing authority by express resolution of the Kent state university board of trustees, or university personnel that are provided authority through express written delegation from either the president of the university or the appropriate vice president, pursuant to the authority provided in rule 3342-5-04 of the Administrative Code.

(D) Implementation.

(1) Authority. The board of trustees, the president of the university and each vice president are the sole contracting authorities at Kent state university provided by rule 3342-5-04 of the Administrative Code.

(2) Delegation. University personnel shall not enter into a contract for the purchase of goods or services or otherwise obligate Kent state university to pay any sum of consideration, without a written delegation of authority unless otherwise provided by this policy or in rule 3342-7-12 of the Administrative Code. Please note, however, vice president approval is non-delegable for purchase agreements of one hundred thousand dollars or more as reflected in rule 3342-7-12 of the Administrative Code.

(a) All delegations must be made to a position within the university and to the individual holding the position at the time of the delegation. When there is turnover in the position, a new letter of delegation must be executed.

"Institutional official" exception. In limited instances, federal or state law requires that the university



appoint a specific person to act as the "institutional official" on behalf of the university. In this instance, a delegation must still be documented in accordance with this policy, however such delegation must be addressed to the person, not the position in general as provided for in paragraph (D)(2)(a) of this rule.

(b) All written delegations of signature authority must include:

(i) Position to which contracting authority is being delegated;

(ii) Scope of contracting authority;

(iii) Restrictions, limitations of contracting authority;

(iv) Signature of division vice president; and/or

(v) Signature of the president of the university.

(vi) Signature of the delegate.

(c) Original executed delegations must be filed with the office of the general counsel.

(d) Delegations may be revoked at any time by the assigning vice president, president, or board of trustees.

(e) Delegations may not be made any further than two administrative levels below that of the division vice president, with the exception of regional deans who may be delegated authority to contract through the associate provost-dean regional college.

(3) Any individual provided with a delegation of authority may not enter into any contract that involves the individual, the individual's family, business associates, or any organization with which the individual is associated. In that event the individual should immediately notify the delegating authority that a conflict of interest exists and withdraw from any participation in the transaction.



(4) Any individual provided with a delegation of authority under this policy must also submit a conflict of interest disclosure form pursuant to rule 3342-6-23 of the Administrative Code to the division vice president at the time of request which shall be kept on file with the original delegation. The form is available from the division of business and finance. It is the responsibility of the individual submitting the conflict of interest disclosure form to amend the statements in the form and notify his/her supervisor if there is any material change in the information initially submitted.

(E) Procedures.

(1) Responsibilities of initiating party. The party initiating the contract on behalf of the university is responsible for reading the contract entirely and determining the following:

(a) The contract language accurately reflects the current state of negotiations and is sufficiently clear and consistent;

(b) The contract meets programmatic and university strategic mission requirements;

(c) The contract is in the best interests of the university and the contract term is reasonable in duration;

(d) The obligations placed on the university in the contract are in compliance with current university procedures and policies; and

(e) The contract includes the appropriate substantive content to describe the obligations of both parties with reasonable specificity.

(2) The initiating party is further responsible for the negotiation of all substantive items in the contract, and is solely responsible for the resulting terms and conditions contained therein.

(3) Mandatory review by general counsel. All contracts prior to execution must be submitted to the office of the general counsel for review as to legal form and sufficiency. General counsel will return the contract to the initiating party for further revision if necessary.



Failure to provide the contract for counsel review could affect several statutory protections reserved for public officials employed by the university including, but not limited to, immunity and indemnification.

(4) Mandatory review by the division of business and finance. After review by general counsel, the initiating party must provide such contract for review by the senior vice president for finance and administration, or his/her designee, if the contract obligates the university to pay funds of one hundred thousand dollars or more for the term of the contract. Upon review, the division of business and finance will return the contract to the initiating party for further revision if necessary.

(5) Final process. After all appropriate approvals have been received and documented and both parties are in mutual agreement to the terms, both parties must sign the contract before any action called for in the contract can occur. The initiating university party is responsible to ensure that the contract is fully executed (signed by both parties).

(6) Records retention.

The contracting authority is responsible for assigning the location where the contract will be placed on file. The contract must be kept on file for at least the period of the contract plus five years or as required by the university's record retention schedule, whichever is longer. The record retention schedule can be found on the general counsel's website, [www.kent.edu/generalcounsel](http://www.kent.edu/generalcounsel).

(7) As a final step in the contract administration process of the university, once a contract is signed by both contracting parties, an electronic copy of the final contract must be sent to [contracts@kent.edu](mailto:contracts@kent.edu) to be kept on file with the office of general counsel, with the following information:

(a) Name of contracting department;

(b) Name of contracting signatory;

(c) Name of non-university contracting party;



(d) Effective date of contract;

(e) Date of termination (or term of the contract);

(f) Brief description of services/goods procured by the contract or, if not a purchasing contract, the nature of the agreement.

(8) Failure to file a final version of the any contract under this policy in the method provided for in paragraph (E)(7) of this rule may result in the temporary or permanent revocation of the contracting authority of the initiating party as provided for in under this rule.

(F) Prohibitions. Failure to follow this policy or to ensure that the appropriate contracting authority is obtained during the execution of a contract and/or agreement may result in personal liability for the university personnel involved in the transaction. No contract signed by a person without contracting authority as delegated by the board or this policy shall be binding on the university.

(G) Pre-existing contracts. Contracts reviewed and authorized prior to the adoption of this policy shall remain in full force and effect; however, any modification or extension of such contracts shall be reviewed and authorized in accordance with this policy.