

A collage of four images on the left side of the slide: a green lawn with trees, a modern building with a glass facade, a classical building with columns, and a close-up of a classical building's archway.

**UNIVERSITY OF ILLINOIS**

AT URBANA-CHAMPAIGN



**2015 BUSINESS LEADERSHIP CONFERENCE**

# **Contracts 101**

**Monday, March 9, 2015**

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*A Shared Vision*

# Please ...

- Turn off cell phones.
- Avoid side conversations.
- Sign the attendance roster.
- Complete the evaluation at the end of the workshop.

# Workshop Objectives

- Inform users new to working with University contracts with the basic information they need to initiate and route a contract.
- Provide information about additional resources related to contract processing.

# Topics Covered Today

- Contract Services Office Process
- Purchasing Process
- Defining a contract
- Forms and Templates
- Signatures
- Helpful Links

# Contract Services Office



1<sup>st</sup> Floor Coble Hall, MC-335

801 S. Wright Street

Champaign, IL 61820

(217) 333-4638 | [UrbanaCSO@uillinois.edu](mailto:UrbanaCSO@uillinois.edu)

<http://www.obfs.uillinois.edu/contracts/>

# CSO Staff

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# CSO Processes

- Revenue Generating Services Agreements
- Facility Use Agreements (no funds, receivable)
- Intergovernmental Agreements
- Affiliation or Student Placement Agreements
- Athletic Event Agreements
- Publishing Agreements
- Reciprocal Trade Agreements
- And Others!!

# Purchasing



Illini Plaza, MC-602

1817 S. Neil, Suite 212

Champaign, IL 61820

(217) 333-3505 | [urbanapurchasing@uillinois.edu](mailto:urbanapurchasing@uillinois.edu)

<https://www.obfs.uillinois.edu/purchases/>



# Purchasing Processes

- Professional and Artistic Services
- Software Agreements
- Facility Use Agreement (payable)

# Defining a Contract



# What is a University Contract?

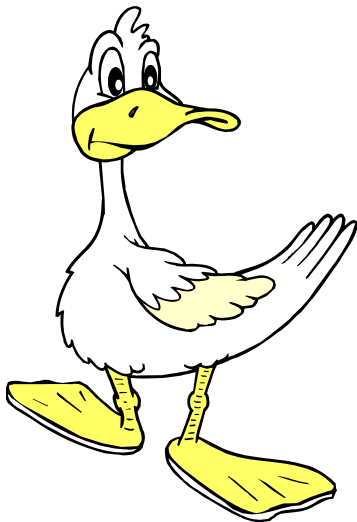


vmo0862 www.fotosearch.com

- An Agreement between the University and one or more parties
- Creates obligations that are legally recognizable or enforceable.

# When is a document a contract?

- A document does not have to be titled “contract” or “agreement” to be a contract.
- If a document obligates the University in any way, then it should be a formal agreement that is reviewed and executed according to University policy



If it looks like a duck and  
quacks like a duck . . .  
It's a duck!

# Contract Elements

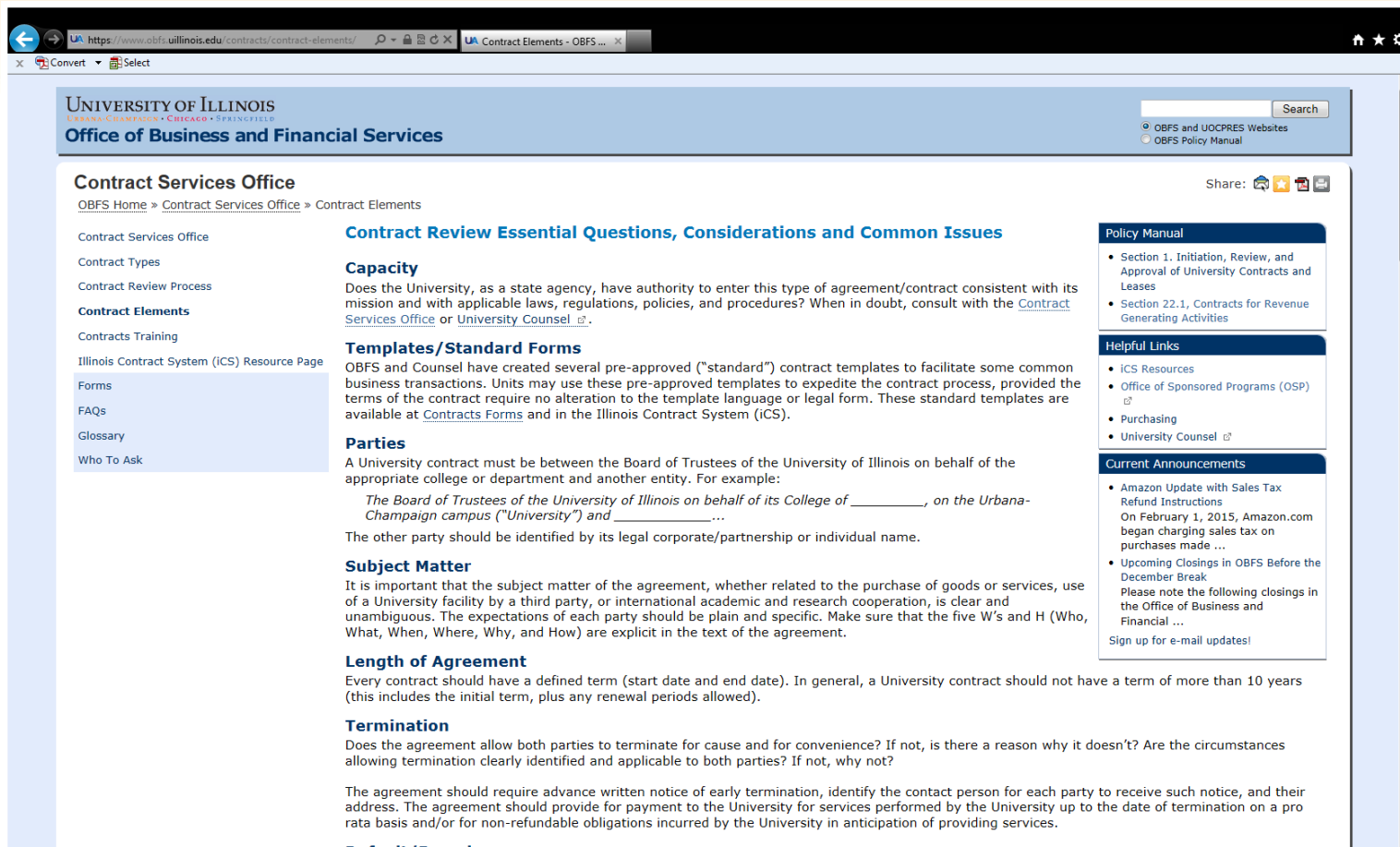
## Expected in a contract

- Identification of the parties
- Detailed scope of work
- Contract terms (start and end dates)
- Contract amount
- Cancellation
- Remedy for Breach

## Problematic requires further review

- Choice of Forum / Venue / Governing Law
- Arbitration
- Compliance with Local Rules
- Insurance
- Indemnification
- Damages
- Rights in Data

# Contract Elements



The screenshot shows a web browser window with the URL <https://www.obfs.uillinois.edu/contracts/contract-elements/>. The page is titled "Contract Elements" and is part of the "Office of Business and Financial Services" website. The page content includes a navigation menu on the left, a main content area with sections for Capacity, Parties, Subject Matter, Length of Agreement, and Termination, and a right-hand sidebar with sections for Policy Manual, Helpful Links, and Current Announcements.

**UNIVERSITY OF ILLINOIS**  
Office of Business and Financial Services

**Contract Services Office**  
OBFS Home » Contract Services Office » Contract Elements

Contract Services Office  
Contract Types  
Contract Review Process  
**Contract Elements**  
Contracts Training  
Illinois Contract System (ICS) Resource Page  
Forms  
FAQs  
Glossary  
Who To Ask

**Contract Review Essential Questions, Considerations and Common Issues**

**Capacity**  
Does the University, as a state agency, have authority to enter this type of agreement/contract consistent with its mission and with applicable laws, regulations, policies, and procedures? When in doubt, consult with the [Contract Services Office](#) or [University Counsel](#).

**Templates/Standard Forms**  
OBFS and Counsel have created several pre-approved ("standard") contract templates to facilitate some common business transactions. Units may use these pre-approved templates to expedite the contract process, provided the terms of the contract require no alteration to the template language or legal form. These standard templates are available at [Contracts Forms](#) and in the Illinois Contract System (ICS).

**Parties**  
A University contract must be between the Board of Trustees of the University of Illinois on behalf of the appropriate college or department and another entity. For example:  
*The Board of Trustees of the University of Illinois on behalf of its College of \_\_\_\_\_, on the Urbana-Champaign campus ("University") and \_\_\_\_\_.*  
The other party should be identified by its legal corporate/partnership or individual name.

**Subject Matter**  
It is important that the subject matter of the agreement, whether related to the purchase of goods or services, use of a University facility by a third party, or international academic and research cooperation, is clear and unambiguous. The expectations of each party should be plain and specific. Make sure that the five W's and H (Who, What, When, Where, Why, and How) are explicit in the text of the agreement.

**Length of Agreement**  
Every contract should have a defined term (start date and end date). In general, a University contract should not have a term of more than 10 years (this includes the initial term, plus any renewal periods allowed).

**Termination**  
Does the agreement allow both parties to terminate for cause and for convenience? If not, is there a reason why it doesn't? Are the circumstances allowing termination clearly identified and applicable to both parties? If not, why not?  
  
The agreement should require advance written notice of early termination, identify the contact person for each party to receive such notice, and their address. The agreement should provide for payment to the University for services performed by the University up to the date of termination on a pro rata basis and/or for non-refundable obligations incurred by the University in anticipation of providing services.

**Policy Manual**

- Section 1. Initiation, Review, and Approval of University Contracts and Leases
- Section 22.1, Contracts for Revenue Generating Activities

**Helpful Links**

- ICS Resources
- Office of Sponsored Programs (OSP)
- Purchasing
- University Counsel

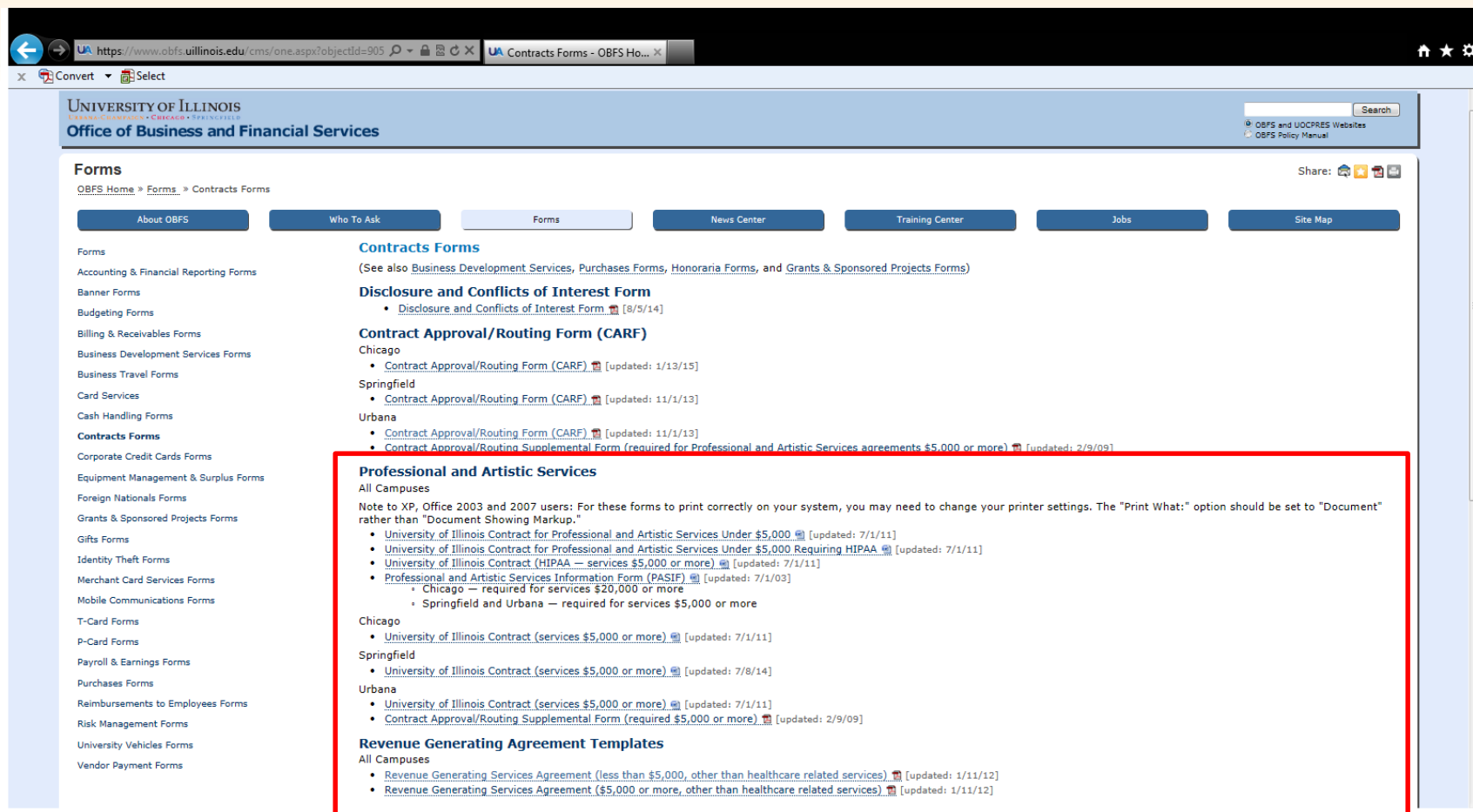
**Current Announcements**

- Amazon Update with Sales Tax Refund Instructions  
On February 1, 2015, Amazon.com began charging sales tax on purchases made ...
- Upcoming Closings in OBFS Before the December Break  
Please note the following closings in the Office of Business and Financial ...  
Sign up for e-mail updates!

# Contract Forms

- OBFS Forms page  
<http://www.obfs.uillinois.edu/forms/contracts/>
- Contract Approval/Routing Form (CARF)
- Contract Templates
  - P&A under \$5,000
  - RGA under \$5,000
  - RGA \$5,000 or more
  - Custom Template

# Forms



The screenshot shows the OBFS website with a navigation menu and a list of forms. A red box highlights the 'Professional and Artistic Services' section, which includes a note to users and a list of specific forms with their update dates.

**Professional and Artistic Services**  
All Campuses

Note to XP, Office 2003 and 2007 users: For these forms to print correctly on your system, you may need to change your printer settings. The "Print What:" option should be set to "Document" rather than "Document Showing Markup."

- [University of Illinois Contract for Professional and Artistic Services Under \\$5,000](#) [updated: 7/1/11]
- [University of Illinois Contract for Professional and Artistic Services Under \\$5,000 Requiring HIPAA](#) [updated: 7/1/11]
- [University of Illinois Contract \(HIPAA — services \\$5,000 or more\)](#) [updated: 7/1/11]
- [Professional and Artistic Services Information Form \(PASIF\)](#) [updated: 7/1/03]
  - Chicago — required for services \$20,000 or more
  - Springfield and Urbana — required for services \$5,000 or more

**Chicago**

- [University of Illinois Contract \(services \\$5,000 or more\)](#) [updated: 7/1/11]

**Springfield**

- [University of Illinois Contract \(services \\$5,000 or more\)](#) [updated: 7/8/14]

**Urbana**

- [University of Illinois Contract \(services \\$5,000 or more\)](#) [updated: 7/1/11]
- [Contract Approval/Routing Supplemental Form \(required \\$5,000 or more\)](#) [updated: 2/9/09]

**Revenue Generating Agreement Templates**  
All Campuses

- [Revenue Generating Services Agreement \(less than \\$5,000, other than healthcare related services\)](#) [updated: 1/11/12]
- [Revenue Generating Services Agreement \(\\$5,000 or more, other than healthcare related services\)](#) [updated: 1/11/12]



# CARF

- Contract Approval/Routing Form (CARF)
- OBFS Forms / Contracts / Contract Approval/Routing Form (CARF)

## Contract Approval/Routing Form (CARF)

### Chicago

- [Contract Approval/Routing Form \(CARF\)](#)  [updated: 1/13/15]

### Springfield

- [Contract Approval/Routing Form \(CARF\)](#)  [updated: 11/1/13]

### Urbana

- [Contract Approval/Routing Form \(CARF\)](#)  [updated: 11/1/13]
- [Contract Approval/Routing Supplemental Form \(required for Professional and Artistic Services agreements \\$5,000 or more\)](#)  [updated: 2/9/09]

# Who Signs the CARF

- **Unit Head**
  - All contracts, regardless of dollar amount
- **Dean/Director**
  - Contracts with a total value of \$50,000 or more
- **Vice President/Chancellor/Vice Chancellor**
  - Contracts with a total value of \$150,000 or more

# P&A & RGA under \$5,000

- Complete template
- Send to vendor for signature
  - Send one electronic copy via email; or,
  - Print two copies of contract, send hard copies to other party for signature
- Unit head signs Walter K. Knorr's name on the appropriate line and signs his/her name on the line "Unit Head for Walter K. Knorr"
- Return one copy of fully executed contract to other party
- Unit is responsible for maintaining a copy of the fully executed contract
- No CARF required

# RGAs \$5,000 or more

- Complete template
- Send to client for signature
  - Send one electronic copy via email; or,
  - Print one copy of contract, send hard copy to other party for signature
- Complete CARF and obtain required signatures or if in iCS route via the checklist
- Route to CSO
  - Electronic (Preferred): [UrbanaCSO@uillinois.edu](mailto:UrbanaCSO@uillinois.edu); or,
  - Hard copies: 112 Coble Hall, MC-335
- Fully executed copy and CARF will be returned to you
- Send one copy of fully executed contract to other party

# University Contract Vs. Other Party Contract

- University contract form – Preferred
  - Terms and conditions are pre-approved
  - Expedited review and execution
- Other party's contract form – Acceptable
  - Terms and conditions must be reviewed
  - Negotiation may be required
  - Slower processing time

# Other Party Contract

## CSO

- Attach documents from the other party to an email to [UrbanaCSO@uillinois.edu](mailto:UrbanaCSO@uillinois.edu)

## Purchasing

- Submit Requisition
- Email supporting documents to [Urbanapurchasing@uillinois.edu](mailto:Urbanapurchasing@uillinois.edu)

# Custom Templates

- May be a good option if:
  - You have a recurring event or activity
  - Existing templates aren't a good fit
- Contact [UrbanaCSO@uillinois.edu](mailto:UrbanaCSO@uillinois.edu)

# Who Signs a University Contract?

- Unit Head
  - P&A or RGA template under \$5K w/no changes
  - Custom template under \$5K w/no changes and AVP-granted signature authority
- University Comptroller
  - Everything else



# Record Retention

- Contracts no longer are kept via hard copy, but retained in iCS.

# Helpful Links



# CSO Website

- <https://www.obfs.uillinois.edu/contracts/>
  - Contract Types
  - Contract Review Process
  - Contract Elements
  - Forms
  - Contracts Training
  - iCS Resource Page
  - FAQs
  - Glossary
  - Who to Ask

# Purchasing Website

<https://www.obfs.uillinois.edu/purchases/>

- Types of Purchases
- Suppliers
- Procedures & Rules
- Ordering & Payment Methods
- Reports
- Quick Reference Guides
- Newsletters
- Supplier Diversity
- Renewals
- iCS Resource Page
- Job Aids & Training Materials
- Forms
- FAQs
- Glossary
- Who to Ask

# Other Resources

- OBFS Policies & Procedures Manual
  - Section 1, Initiation, Review, and Approval of University Contracts and Leases:  
<https://www.obfs.uillinois.edu/bfpp/section-1-business-financial-administration/initiation-review-approval-contracts-leases>
  - Section 22.1, Revenue Generating Activities:  
<https://www.obfs.uillinois.edu/bfpp/section-22-self-supporting-revenue-generating/section-22-1>

# Other Resources

- Purchasing
  - <http://www.obfs.uillinois.edu/purchases/>
- Office of University Counsel
  - <http://www.legal.uillinois.edu/>
- University Risk Management
  - [http://www.treasury.uillinois.edu/risk\\_management/](http://www.treasury.uillinois.edu/risk_management/)
- OSPRA
  - <http://www.ospra.illinois.edu/>

# Questions

