

# UCR Policies and Procedures

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**Policy Title:** Miscellaneous Business Agreement and Contract Review

**Policy Number:** 750-33

<b>Responsible Officer:</b>	Associate Vice Chancellor of Business & Financial Services and Controller
<b>Responsible Office:</b>	Business and Financial Services – Business Agreements
<b>Origination Date:</b>	07/01/2006
<b>Date of Revision:</b>	07/05/2017
<b>Date of Last Review:</b>	06/30/2017
<b>Scope:</b>	Guidance About Review of Miscellaneous Business Agreements & Contracts

### I. Purpose

This policy outlines policies and procedures for processing business agreements between the University and other parties. It also outlines procedures for the review of insurance and hold harmless/indemnification provisions in business agreements, research agreements, subcontracts, independent consultant/contractor agreements, leases, *etc.*, to ensure compliance with University policies.

It is the University's policy not to sell goods or services to outside consumers except where such goods or services are unique or where such sales would not be in competition with commercial sources. ("Guidelines on University-Industry Relations" and University Regulation 4, "Special Services to Individuals and Organizations," [APM-020](#))

### II. Definitions

**Business Contract:** A contract is an agreement between two or more entities which creates an obligation to do or not do a particular thing. At UC Riverside, a business contract/agreement is one of a variety of formats used to document and carry out the business relationships of the campus. See [Exhibit A](#) attached to this policy for a list of agreements and the departments that are responsible for developing/negotiating them.

**Facilities Use Agreements:** The agreements handled by the Business Contracts Department are non-exclusive, intermittent use of facilities/space for a short period of time, not to extend beyond one year. The owner retains the right to use the facilities at times of non-use by renter. Examples: meetings, displays, symposiums, classes, summer camps, etc. For other types of Facilities Use Agreements, contact Real Estate Services.

**Service Agreements:** Agreements which involve a written contract where the tasks to be performed are relatively routine or involve a standardized procedure or one supplied by the other party, where the outcomes are not likely to result in the addition of new knowledge or publishable information, and where any data collected is to be delivered without significant interpretive analysis (UCR Policy & Procedures Manual, "Extramural Fund Classification," [Policy No. 200-45](#)).

- III. Agreements that may require approval of General Counsel and/or the Board of Regents prior to execution:**
- A.** Agreements that require the University to assume liability for anyone other than officers, agents, or employees require the approval of the Board of Regents.
  - B.** Agreements written by outside entities may require the approval of General Counsel if negotiations to modify the language are unsuccessful.
  - C.** Agreements that include a governing law other than the State of California require the approval of General Counsel.
  - D.** Agreements requiring the University to waive subrogation on anything other than property damage require the approval of General Counsel.

**IV. Policy**

- A.** The Business Contracts Department reviews and writes general business agreements to ensure compliance with the By-Laws and Standing Orders of The Regents and policies and procedures from the Office of the President.
- B.** A written agreement is required when a contractual relationship is needed to lessen the potential liability to the institution. The use of a contract will protect the assets of the institution by setting forth terms and conditions governing the transaction.
- C.** The Director of Procurement, Business Contracts, AP & Travel has the delegated authority to sign general business agreements. Department personnel do not have the authority to contractually bind the University.
- D.** All agreements should be fully negotiated and signed by all parties prior to commencement of services, etc.
- E.** All non-standard general business agreements should be reviewed by the Business Contracts Department to ensure compliance with University policies.
- F.** The official name of the University corporation, "The Regents of the University of California," is used on all agreements.

**V. Procedures**

- A. Contract Review**
  - 1.** The entire agreement should be forwarded, along with the scope of work and any other documentation, to the Business Contracts Department with a request to review the insurance and indemnification provisions.  
Note that these provisions can be hidden in other clauses throughout the agreement.
  - 2.** The Business Contracts Department will either approve the language or provide recommended modifications.
- B. New General Business Agreements**
  - 1.** The Requesting Department is responsible for:
    - a.** Responsible for informally negotiating the "business arrangements" with the other party to determine:
      - Nature of the work.
      - Where and when work is to be performed.
      - What University resources may be required, if any.
      - Whether other party provides a written agreement or purchase order.
 Note: See [Exhibit B](#) for the type of information needed in order to begin to draft an agreement.
    - b.** Forwarding agreements from non-University entities from either the private or public sector to Business Contracts Department to determine whether the agreement is acceptable within University policy, or if the agreement can be accepted with modification or if an entirely new agreement needs to be created.
    - c.** Sending all attachments to the agreement request with a detailed scope of work to the Business Contracts Department:
    - d.** The initiating department is responsible for ensuring that all terms and conditions of a business agreement (e.g., payment of services, submission of invoices, preparation of reports, and compliance with schedules, etc.) are carried out.
  - 2.** The Business Contracts Department is responsible for:
    - a.** Drafting agreements with necessary terms and conditions.
    - b.** Reviewing the documents for format, contents, and compliance with University policies.

- c. Discussing problems, required revisions, or the need for additional information with the requesting department/program;
  - d. Negotiating legal and policy matters with other party as necessary.
  - e. Obtain approval from OGC, if required.
  - f. Secures signatures of all parties.
  - g. Returning the executed agreements to the requesting departments along with a University Certificate of Self-Insurance, if applicable.
- C. Service Agreements**
1. The requesting department is responsible for:
    - a. Obtaining approval from the Department Chair, Dean's Office, an Academic Planning & Budget for rates and the establishment of a sales and service account in Accordance with [UCR Policy and Procedures Manual](#), Policies [300-02](#), [300-66](#); [300-66A](#), prior to processing a Services Agreement.
    - b. Forwarding a copy of the approval for the establishment of new accounts to the Business Contracts Department.
    - c. Invoicing the other party.
    - d. Following all procedures as outlined in Section V.A.1., above.
  2. The Business Contracts Department is responsible for the procedures as outlined in Section V.A.2., above.
- D. Amendments to Current Agreements**  
All requests for amending current agreements should be forwarded to the Business Contracts Department. All other procedures outlined herein apply.
- E. Processing Time**  
The time it takes to process an agreement is based on the type of agreement, comprehensiveness of the information provided with the request, and the workload of the Business Contracts Department. Most agreements require a minimum of two weeks (10 business days) lead-time to review and process routine contract requests. Additional processing time will be required for complex agreements requiring review by Office of the General Counsel, those that must be "tailored" for specific situations, or if changes are requested by the other party.

## VI. References

- **Delegation of Authority:** "Execution of Agreements," from the Vice Chancellor-Administration to the Director of Procurement, Business Contracts, Accounts Payable & Travel
- Standing Orders of The Regents, [100.4 \(dd\) 9](#)
- University Regulation 4, "Special Services to Individuals and Organizations," [APM - 020](#)
- Business & Finance Bulletin, "Certificates of Insurance," [BUS-63](#)
- UCR Policy and Procedures Manual, "Extramural Funds Classification," [Policy No. 200-45](#)
- UCR Policy and Procedures Manual, "Administrative Cost Recovery and Special Service Agreements for Central Administrative Services and Land Rent," [Policy No. 300-02](#)
- UCR Policy and Procedures Manual, "Sales & Service Activities, Establishment and Budgetary Review," [Policy No. 300-66](#)
- UCR Policy and Procedures Manual, "Sales & Service Activities: Establishment and budgetary Review, Organization Sales and Service Fund Policy", [No. 300-66A](#)
- UCR Policy and Procedures Manual, "Classification of Awards/Business Agreements from Private Sources," [No. 500-05](#)