



Ouachita Baptist University Policy on Contracts/Agreements with External Parties

Definitions/Purpose:

For the purposes of this policy, a "contract" is defined as an agreement between two or more parties, which is intended to have legal effect. All contracts document a common understanding among the parties as to the terms of their agreement, contain mutual obligations, and set forth "legal consideration," meaning that something of value is exchanged between the parties. This policy applies to all written University contracts, including, but not limited to the following:

- Contracts for the purchase or sale of goods or services
- Revenue-producing agreements
- Agreements for the purchase or lease of real property
- Affiliation agreements
- Performance contracts
- Entertainment contracts
- Study/travel abroad contracts

Agreements executed on behalf of the University and exceeding \$2,500 must have administrative review of the agreement terms prior to their approval. All contracts with non-US citizens, including those under \$2,500, require administrative review. Contracts must be submitted for signature prior to the effective date of the agreement, with the recommendation of the appropriate Vice President or Administrative Council member. If at any time during the review process of the agreement, legal concerns arise, the contract shall be reviewed by legal counsel.

Exemptions:

Standard contracts using a pre-approved format are exempt from the approval process. As an example, if the same contract wording is used for all summer conference groups, the standard contract can be pre-approved.

Employment contracts are subject to additional requirements and are not included in the scope of this policy statement. In addition, contracts between the university and individual students for housing, academic agreements, behavioral agreements or similar purposes are exempt from this policy.

Signature Authority:

Only the President or the Chief Financial Officer is authorized to sign contracts, as outlined in this policy, on behalf of the University. Any violation of this policy may render the contract void, if in the best interests of the University, and make the signing employee personally responsible for any consequences of the voided contract.