

1= Governance, Organization, and General Policies

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Contracts

### **Purpose**

The purpose of this policy is to establish the framework for contracts of the Institutions governed by the Tennessee Board of Regents.

### **Applies To**

All Institutions governed by the Tennessee Board of Regents.

### **Definitions**

Institution – means any of the universities, community colleges, colleges of applied technology or central offices within the Tennessee Board of Regents system.

State – means state of Tennessee.

### **Policy/Guideline**

#### **I. Applicable Documents**

Whether the document is called an agreement, contract, memorandum of agreement, memorandum of understanding, terms and conditions, purchase order or other similar name, it is subject to the requirements of this policy. The purpose of a written contract is to embody the complete agreement in writing. No relevant terms should be left to an unwritten understanding or verbal agreement. The document should be explicit and clearly state the rights and duties of each party and clearly identify all parties.

#### **II. Approval/Authority**

The authority to approve contracts is delineated in TBR Policy 1-03-02-10 (Approval of Procurements and Contracts).

#### **III. Prohibited Contracts**

- A. Institutions shall not knowingly contract for the procurement of any merchandise, equipment or material with an individual who is, or within the past six months has been, a State employee. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;

- B. Institutions shall not knowingly contract with a company or corporation in which a controlling interest is held by any State employee or the employee's spouse.
- C. Institutions shall not knowingly contract with any person in violation of Federal or State law.

#### **IV. Contracts Guideline**

The System Office shall maintain, with input from the Institutions, a written Contracts Guideline, which may be in electronic format, to ensure that all contracts comply with federal and state laws and regulations. All Institutional contracts shall comply with the Contracts Guideline.

#### **V. Exceptions**

The Chancellor or designee may approve exceptions to the requirements of this policy in appropriate circumstances. Requests for exceptions must be signed by the President or Director and include sufficient justification documentation.