

Procedure for FI0420: Contracts Department's Responsibilities in the Contract Process	
Version: 1	Effective Date: 03/01/2023

Objective

This procedure details a department's contract review obligations.

Scope

This procedure applies to all departments.

Roles

Departments are responsible for determining the appropriate individuals in their department who will review the business terms of a contract before the department enters the contract into the University's contract management system.

Procedures for Departments

- I. Departments must review a contract's business terms (i.e., dates, deliverables, costs, etc.) and operational requirements. Departments must communicate any necessary changes to a contract's business terms to the applicable contract office.
- II. Before entering the contract into the contract management system, departments must review a contract to determine whether the goods or services meet the department's needs. If the contract covers goods or services that must be compatible with other goods or services, the department will determine compatibility.
- III. Departments must determine whether they have sufficient funds available to purchase the goods or services.
- IV. Tax exemption: the department must determine whether the University is exempt from applicable taxes for the applicable contract. Departments are responsible for providing applicable tax-exemption documentation to vendors. The Controller's Office website contains information about tax exemption in Tennessee and in various other states. If departments have questions about whether the University is exempt from taxes in a given transaction, departments must consult the Controller's Office's tax official for guidance.
- V. The department must enter the contract into the contract management system and must allow for as much time as possible for the review process to occur.
- VI. When contracting with individuals:

- A. Departments must ensure that the individual is not currently an employee (and within the last 6 months has not been an employee) of the following entities:
 - i. State of Tennessee
 - ii. Locally Governed Institutions
 - iii. Tennessee Board of Regents and its institutions
 - iv. The University of Tennessee
- B. Departments must determine if the individual serves on any University campus committees or campus advisory boards. If so, the department will contact the applicable Chief Business Officer or designee for guidance.
- VII. Departments must not revise the legal terms of a contract (excluding the business or operational terms). The applicable contract office will review the legal terms.
- VIII. Departments must not negotiate the legal terms of a contract with the other party. The applicable contract office will handle negotiating the contract with the other party.

Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this procedure could result in adverse human resources actions. Further, failure to comply with this procedure could result in negative consequences for the university, as a whole.

Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Blake Reagan	865-974-3971	breagan@tennessee.edu