



## ***Checklist for Processing Contracts through the University Risk Management Office***

**Introduction:** A contract is any written agreement binding the signatories, no matter what it is called. Some typical contract titles include “Hold Harmless Agreement”, “Memorandum of Understanding”, “Facility Use Agreement”, “Order Form” and even “Application”. For the purpose of this Checklist all of these will be referred to as contracts. Signature authority for contracts is extremely limited and the only individuals who have this authority are outlined in policies FN11 and FNG02. The standard processing time for contracts to be signed by the University is 7-10 business days from the date they are received in the Risk Management Office, unless there are issues or delays related to the contract. If a signature is required on any documentation and you are not sure if you have the authority to sign it, contact the Risk Management Office for clarification.

**Step 1:** Read through the contract and related attachments and make any changes that you feel are needed to accurately reflect what is being done. Keep in mind that contracts are being reviewed for policy and legal ramifications and will be changed accordingly to protect the University’s interests. Contracts are not reviewed for accuracy of content or business purpose.

**Step 2:** If your contract needs to be routed to Risk Management, then send a transmittal cover memo with the contract and any mentioned exhibits, policies, terms, conditions, rules, regulations etc. The transmittal is a crucial part of the contract review process because contracts are not signed by Risk Management, only reviewed, and then forwarded on to another office for the authorized University signature. The cover memo is used for tracking approval notes and comments. Items that need to be included in the transmittal memo:

- Title or description of what the contract is for and applicable dates.
- Explanation of what is being sent. List the number of copies of the contract that are being sent, as well as any other documents. The number of contract copies is determined by the number of signatures on the contract or parties that will need to get a copy of the contract.
- Explanation of what is needed. This may be simply processing the contract for signature or may also include the issuing of a certificate of insurance. If an insurance certificate is needed please list the name and mailing address of the organization requesting it.
- List the name and contact information for the individual that questions should be referred to within the University and/or the other party.
- Name and address of where the contracts need to be sent after signature.
- Include any other information you deem important for the review process.

Contracts being sent to Risk Management need to be routed to:

Cristene Boob  
Risk Management Department  
The Pennsylvania State University  
227 West Beaver Avenue  
Suite 103, Rider Building  
State College, PA 16801

**Step 3:** Once contracts are received by Risk Management they are logged in by the date received and reviewed accordingly. Once the review is complete and the contract is approved by Risk Management it is forwarded to the appropriate office for the authorized University signature. The standard processing time for contracts to be signed by the University is 7-10 business days from the date they are received in the Risk Management Office, unless there are issues or delays related to the contract.

**Note:** The University's authorized contract signatories include the Board President, Board Vice President, Secretary (the University's President), Treasurer, Assistant Treasurer (Board Officers), and Senior Vice President for Finance and Business, and the Corporate Controller (University Officers). In addition, for all agreements and contracts related to the affairs of the Milton S. Hershey Medical Center, the Associate Vice President for Finance and Business and Controller, and in his/her absence, the Assistant Controller. In practice, the Assistant Treasurers sign most of the non-Hershey contracts.

**Step 4:** After the contract is signed by the authorized University signature it is then sent back to the individual listed on the transmittal memo. Those individuals at the University Park campus will receive their contracts back via campus mail. Those individuals not at University Park will receive contracts back via US mail.

**Step 5:** Once you receive your contracts back you will need to do one of two things.

- 1) If the contract still requires a signature from the other party you will need to send both copies of the contract to the other party to be signed. Once the other party has signed both copies they need to return one fully executed copy back to you. Your office must keep a copy of this contract on file as the official University copy of the contract.
- 2) If the contract has all required signatures, then you need to return a copy to the other party for their records. The other copy must be kept in your office as the official University copy of the contract.

**Note:** Ideally all signatures on all copies are to be original, but in the event only one copy of a two-party contract is sent with an original signature, then a second copy of the contract should be made. This will mean that one copy will have original signatures for both parties and the second copy will have a copy of the other parties signature and an original of the University's signature. In this instance you want to keep the contract with both original signatures and return the other copy to the other party. You always want to keep the copy with original signatures for the University's official records.

**Common Issues and/or Things that Hold Up the Contract Process:**

- When all mentioned exhibits, policies, terms, conditions, rules, regulations, etc. are not sent along with the contract.
- When information in the contract is not filled out by the sponsoring office or department. If the contract requires an address, please use the office address for the sponsoring college, department or campus of The Pennsylvania State University. If the other party has already signed the contract, only contracts with original signature are acceptable. Copies, including faxed copies, are not acceptable.
- When there is not a cover transmittal memo.
- When the jurisdiction is not Pennsylvania.
- When the name of the University is not listed as "The Pennsylvania State University".

**Contact Information:**

Cris Boob, Assistant Contracts Coordinator

814-865-0512

[cnb1@psu.edu](mailto:cnb1@psu.edu)



Richel Perretti, Contract Coordinator

814-863-5538

[rap126@psu.edu](mailto:rap126@psu.edu)

**SAMPLE TRANSMITTAL LETTER FORMAT**  
(To be put on your office letterhead.)

**October 8, 2007**

**Cris Boob, Assistant Contract Coordinator  
Risk Management Department/Privacy Office  
The Pennsylvania State University  
227 West Beaver Avenue  
Suite 103, Rider Building II  
State College, PA 16801**

**Dear Ms. Boob,**

**I am writing to request contract approval for an upcoming dairy nutrition program to be held in the auditorium of a nearby high school. I will be present at and in charge of this program. Attached are the contract and related attachments for your review and further processing. In addition, we have been asked to provide a Certificate of Insurance to be forwarded to the school district as follows:**

**Attn: District Business Manager  
Someplace Area School District  
111 Education Road  
Anytown, PA 11111-1111**

**Please feel free to contact me if there are any questions.**

**Sincerely,**

*(Signature)*

**Sally Snow  
Extension Educator**

Updated 10/8/2007

### **Contract Retention:**

It is the responsibility of the office routing contracts to Risk Management to keep a final executed copy on file for the Official University records. To determine how long contracts should be kept policy AD35 University Archives and Records Management should be reviewed, which can be viewed at the following link: <https://guru.psu.edu/policies/AD35.html>. The University's General Retention Schedule (formerly Appendix 18) can be found at the following link: <https://guru.psu.edu/gfug/appendices/APP18.html>. Below is an excerpt from the General Retention Schedule specifically for contracts.

<b>TYPES OF DOCUMENTS</b>	<b>RETENTION PERIOD</b>
LICENSES for filming on PSU Premises	7 years in office of origin; Permanent in Archives
LICENSES to use PSU's non-physical property or any use of the University's names, trademarks, symbols, or logos	7 years in office of origin; Permanent in Archives
AGREEMENTS -- where PSU licenses another legal entity to use film, publications, or similar which PSU has copyrighted or which PSU holds the license.	7 years in office of origin; Permanent in Archives
FACILITY USE AGREEMENTS -- Hotels, Conference Centers, Meeting Facilities	3 years after the completion of the event
WORKING WITH MINORS AGREEMENTS AND RELEASES	2 years past the age of majority for participant minor
COPYRIGHT CLEARANCE	3 years after initial request

### **Routing External Contracts:**

The reason for limiting signature authority is to make sure all non-personnel external contracts have gone through a proper review in at least one of the following areas:

- **Office of Sponsored Programs** - Research contracts, grants and related.
- **Office of Purchasing** - Goods and services procured by the University, including copyright licenses for software, equipment and electronic systems. **Note:** A Purchase Order is a contract.
- **Associate Director of Facilities Resources** – Facility and/or land leases.
- **Copyright Clearance Center** - Required clearances for course packs, seminar and conference material. Please see Policy AD46 for current scope. (<http://guru.psu.edu/policies/AD46.html>)
- **Office of Physical Plant** - Easements, Right -of-Way agreements, building construction/renovation contracts, and related.
- **Licensing Office** - Agreements for use of the University's name, logo, symbols or trademarks for commercial purposes.
- **University Legal Counsel** - Third Party Student Internship Agreements provided by the Host Sites. Faculty Advisors and Internship Coordinators should directly contact Jody Gardner, Paralegal at McQuaide Blasko, 811 University Drive, State College, PA 16801, phone number 814-238-4926.
- **Director of University Marketing** - Advertising Contracts including videotaping or filmmaking.
- **Risk Management Office** – Everything else that does not fall under the other areas, including short-term facility usage agreements, and certain copyright licenses for plays, musical works, etc. being produced by the University. Note: For contracts sent to other areas that involve liability and/or insurance clauses, it will be that area's responsibility to send the contract to Risk Management for review.

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## **Risk Management Office**

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227 W. Beaver Avenue  
Suite 103, Rider Building II  
State College, PA 16801  
(814) 865-6307  
(814) 865-4029 Fax