

# Contract Quick Reference Guide

## Phase I: Contract Formation (DRAFT)

<b>Contract Definition</b>	<ul style="list-style-type: none"> <li>• A contract is a legally enforceable exchange of agreement. When two or more parties sign a contract, it legally binds them to the terms.</li> </ul>
<b>Contract Vs. Purchase Order</b>	<ul style="list-style-type: none"> <li>• Contracts and purchase orders serve the same purpose; they serve as the legally binding agreement between two parties.</li> <li>• FSU generally uses a Purchase Order in lieu of a written contract document because it is the most efficient process.</li> <li>• If a contract is necessary, or requested by one of the parties, there may be a written contract AND a purchase order.</li> <li>• A contract is always negotiated and executed FIRST, and then a purchase order may be issued.</li> </ul>
<b>Contract Drafting</b>	<ul style="list-style-type: none"> <li>• Contract templates pre-approved by the Office of General Counsel should be used where possible</li> <li>• Drafting may be done by Procurement Services (if ITB or ITN is used), Office of General Counsel, or the End User</li> <li>• Second Party's may also submit contract drafts for consideration</li> </ul>
<b>Contract Reviews</b>	<ul style="list-style-type: none"> <li>• If the contract is over 10K, the Office of General Counsel must review and approve BEFORE execution.</li> <li>• If the contract is for goods or services, Procurement Services must review and approve BEFORE execution.</li> <li>• If the contract is a revenue generating agreement and 5 years or more, and/or 10K in pecuniary value in one year, then the Office of Business Services and the Controller's Office must review and approve BEFORE execution.</li> <li>• Sponsored Research, ITS, and Facilities should be included, where applicable, in the draft reviews.</li> </ul>

## Phase II: Approvals

<b>Contract Approvals</b>	<ul style="list-style-type: none"> <li>• If the contract is over 10K, the Office of General Counsel must have documented approval.</li> <li>• If the contract is for goods or services, Procurement Services must have documented approval.</li> <li>• If the contract is a revenue generating agreement and 5 years or more, and/or 10K in pecuniary value in one year, then the Office of Business Services and the Controller's Office must have documented approval.</li> </ul>
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## Phase III: Signatures

<b>Contract Signature Authority</b>	<ul style="list-style-type: none"> <li>• Powers of Attorney (POA) grant signature authority for contracts to individuals. Only an individual with a POA for contract signature authority may sign a contract on behalf of FSU.</li> <li>• An individual with signature authority may only sign within the contract amounts granted within their POA.</li> </ul>
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## Phase IV: Contract Management

<b>Contract Management Activities</b>	<ul style="list-style-type: none"> <li>• After execution, the designated Contract Manager manages the contract. This individual is responsible for the monitoring of the contract and enforcing the terms and conditions of the contract.</li> </ul>
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