



Policy

Title Contract Review and Approval
Policy Number OP-0346
PolicyType Operational
Category Legal Issues
Subcategory1
Subcategory2
Subcategory3
Approval Date 11/18/2010
Contact
Applies To
Purpose
Executive Summary
Definitions

1. **Arrangement:** Any transaction in which RUMC assumes obligations or incurs liability. All arrangements must be memorialized in a written contract.
2. **Contract:** Any written agreement, including, without limitation, a memorandum of understanding, a letter of intent, or any form of writing that documents an oral agreement. "Contract" shall also mean any amendment to a previously executed contract as well any RUMC approved template that has been modified or includes attachments that modify the terms of the agreement.
3. **Immediate Family Member:** An immediate family member of a physician including a husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.
4. **Lead Responsible Person:** The individual responsible for negotiation of a Contract who shall be the principal contact with the Office of Legal Affairs during the review and approval process of the Contract.
5. **Template Purchase Order:** RUMC's approved purchase order template.
6. **Unmodified Template:** An unmodified RUMC approved template that does not include attachments that modify the terms of the agreement.

Equipment Information

Discussion

Legal review of Arrangements and Contracts governed by this policy is an important step in ensuring compliance with legal requirements. Communication with the Office of Legal Affairs and/or the Corporate Compliance Department early in the planning process is important to facilitate the review and approval of Arrangements and Contracts.

Policy

A. RUMC Arrangements or Contracts may not be signed without the approval of the Office of Legal Affairs and the Corporate Compliance Department. The Lead Responsible Person must forward all written documentation of RUMC Arrangements or Contracts to the Office of Legal Affairs for review and approval. The Office of Legal Affairs will coordinate with the Corporate Compliance Department to identify any legal or compliance issues in the Arrangement or Contract and shall notify the Lead Responsible Person of such issues. All legal and compliance issues must be resolved by the Lead Responsible Person before any

Arrangement or Contract can be entered into.

B. Prior to executing any Arrangement or Contract, the *Arrangements/ Contract Approval Form* must be completed (see Attachment A). Only individuals authorized under the *Authorized Signatures on Contracts List* (see Attachment B), may validly sign a Contract. Within 10 business days following execution of the Contract or Arrangement, the Lead Responsible Person must return the signed Contract or Arrangement and supporting documentation (as outlined in the Guidelines section, below) to the Office of Legal Affairs for inclusion in the RUMC Arrangements/Contracts Database.

C. Unmodified Templates do not require review under this Policy prior to execution. The Lead Responsible Person shall submit Attachment A to the Office of Legal Affairs and upload the Unmodified Template onto the RUMC Arrangements/Contracts Database upon execution of the Unmodified Template.

D. Template Purchase Orders do not require review under this Policy prior to being issued. Where the Template Purchase Order serves as the contract and the purchase is for \$20,000 or more, the Lead Responsible Person shall submit Attachment A to the Office of Legal Affairs.

Outcome Guidelines

1. This policy requires all Arrangements and Contracts to be reviewed by the Office of Legal Affairs in coordination with the Corporate Compliance Department.
2. The Lead Responsible Person for the Arrangement or Contract must forward the following to the Office of Legal Affairs:
 - a. A draft of the written arrangement or contract (if a draft written contract exists);
 - b. A one-page summary of the key terms of the arrangement or contract;
 - c. Confirmation of the fair market value, if required by the Related RUMC Compliance Policies (see below), of any financial terms; and
 - d. Any other pertinent written documentation.

In the event of the use of an Unmodified Template (See Policy Statement C above) the Lead Responsible Person must submit a completed Attachment A to the Office of Legal Affairs.

In the event of the issuance of a Template Purchase Order where the Template Purchase Order serves as the contract and the purchase is for \$20,000 or more (See Policy Statement D above) the Lead Responsible Person must submit a completed Attachment A to the Office of Legal Affairs.

The Office of Legal Affairs will coordinate required review with the Associate General Counsel for contracts in the Corporate Compliance Department.

3. The Office of Legal Affairs will review the documents from a legal perspective and the Corporate Compliance Department will review the documents from a regulatory compliance perspective. The Office of Legal Affairs and/or Corporate Compliance

Department will advise the Lead Responsible Person of any legal or compliance issues. The Lead Responsible Person is advised to notify the Office of Legal Affairs and/or the Corporate Compliance Department early in the process, and to keep the Office of Legal Affairs and/or Corporate Compliance Department updated to avoid any last minute obstacles to execution of the Arrangement or Contract.

4. The Lead Responsible Person shall resolve any legal or compliance issues identified by the Office of Legal Affairs or the Corporate Compliance Department. The Office of Legal Affairs and Corporate Compliance Department will be available to discuss possible solutions. All legal and compliance issues must be resolved, and the Lead Responsible Person must provide the Office of Legal Affairs and the Corporate Compliance Department with updated written documentation indicating resolution before the Arrangement or Contract can be approved and executed.

5. The Office of Legal Affairs will sign the *Arrangements/Contract Approval Form* (see Attachment A) to approve a Contract or Arrangement for execution. The Contract or Arrangement may not be executed if it has not been approved by the Office of Legal Affairs. The only exception is for an Unmodified Template or Template Purchase Order.

6. In the event of a conflict between this policy and any existing policy, this *Contract Review and Approval Policy* shall control and represent the policy of RUMC.

Responsibility and Procedure

Regulatory Elements

Related Policies

Fair Market Value: Policy Number CC-R04
 Billing for Items/Services: Policy Number CC-B28
 Conflicts of Interest: Policy Number OP-0359
 Physician Practice Acquisition: Policy Number CC-G11
 Prohibition Kickbacks: Policy Number CC-G09
 Waiver of Co-Payments: Policy Number CC-B20
 Professional Courtesy: Policy Number CC-B13
 Information Technology: Policy Number OP-0335
 Business Gifts: Policy Number CC-G12
 Tenant Rental: Policy Number CC-G10

Reference

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No

Attachments

[Attachment A Contract Review and Approval .docx](#)
[AuthSignatureContract Att B Revised 11 17 2010.docx](#)

Content Type: Policy

RUSH UNIVERSITY MEDICAL CENTER OPERATIONAL POLICY AND PROCEDURE

Date: May 2009

Section: Finance

Subject: Authorized Signatures on Contracts

Contract Type	Required Authorization							Notes
	A-VP	AVP	VP	SVP	EVP	CEO	Dean	
Supply/Pricing Agreements	X			X				SVP of Hospital Affairs over \$250,000, Purchasing A-VP (\$250,000 and under)
Operational Service Agreements			X	X				Responsible SVP over \$100,000, Responsible VP (\$100,000 and under)
Development Fund Projects								
Modernization Project Agreements	X		X		X			EVP over \$1,000,000, VP of Campus Transformation (under \$1,000,000), A-VP campus transformation (under \$500,000)
Capital Projects Agreements	X		X		X			EVP over \$1,000,000, VP of Campus Transformation (under \$1,000,000), A-VP capital projects (under \$500,000)
IT Project Agreements			X	X				CIO over \$500,000, VP of Information Technology (\$500,000 and under)
Medical Center Engineering Project Agreements			X	X				SVP of Hospital Affairs over \$100,000, VP of Support Services (\$100,000 and under)
Physician Group Contracts							X	Responsible Dean
Leases								
Equipment		X	X	X				SVP of Hospital Affairs over \$100,000, Responsible VP (\$100,000 and under) AND AVP Treasury for all equipment
Employees		X						AVP for Medical Affairs AND AVP of Corporate Finance
Real Estate- Leases (2 Signatures)	X	X						A-VP of Capital Projects AND AVP of Treasury
Real Estate – Space Shares (3 Signatures)	X	X	X					A-VP of Capital Projects AND AVP of Treasury AND AVP of Finance OR VP of Medical Affairs
Patient Service Pricing Agreements				X				CFO or SVP of Corporate and External Affairs
Professional Services								
Physician/Faculty							X	Responsible Dean
Independent Contractors (See Independent Contractor Policy)			X	X				Responsible SVP over \$100,000, Responsible VP (\$100,000 and under)
Consultants			X	X				Responsible SVP over \$100,000, Responsible VP (\$100,000 and under)
Faculty Recruitment and Contracts							X	Responsible Dean
Residencies, Fellowships, Academic Affiliations & Continuing Education							X	Responsible Dean
Research Applications, Grants & Contracts	X							A-VP of Research Administration
Computer Hardware and Software			X	X				CIO over \$500,000, VP of Information Technology (\$500,000 and under)
Non-Research Confidentiality Agreements	X							Responsible A-VP
Supplemental Staffing and Search Firms			X	X				Responsible SVP over \$100,000, Responsible VP (\$100,000 and under)
The amounts referenced in this policy refer to the								

annual cost of the contract

AVP means Associate Vice President

A-VP means Assistant Vice President
