

CONTRACTS

What is it?

A contract is a legally enforceable agreement between two parties in which the two parties agree to certain terms and conditions. Contracts are also known as “*memorandums*,” “*memorandum of understandings*,” “*memorandum of agreements*,” “*facility use agreements*,” “*cooperation agreements*,” “*partnership agreements*,” “*purchase orders*” and “*compacts*” among others. Software license agreements are contracts. The “terms of use” that you agree to prior to purchasing a web application or an online product is a contract.

Why is this important?

A contract is a list of promises between two parties, which is enforceable by law. These promises are called “terms and conditions.” If you agree to these terms and conditions by signing the document, you are legally responsible for fulfilling these obligations. If you sign a contract while acting in the scope of your employment as a University employee, you are committing the University to these obligations. If you sign a contract on behalf of the University and you do not have the authority to do so, you may be personally responsible for fulfilling its terms.

How do you make sure you’re in compliance?

As a state entity, there are certain terms and conditions we must include in every state contract. This includes, but is not limited to, language pertaining to statutory authority, indemnification and insurance. There are other terms and conditions that we should include simply because they make good business sense, such as termination clauses. Finally, there are the negotiable terms, such as price and duration, which we must work out individually with each vendor.

The specific terms and conditions will vary depending upon the two parties’ purposes and objectives. An **Affiliation Agreement** entered into between Student Health Services and a separate university to facilitate the placement of a nursing intern is going to look dramatically different from a **Memorandum of Understanding** between the Center for Students with Disabilities and an outside consultant hired to review internal procedure.

Generally, however, all contracts should have some basic contractual terms, including:

- **Parties:** The Agreement should state the two parties who are agreeing to the terms of the contract.
- **Definitions:** A definition section should define all ambiguous words or any words that would not be commonly understood by someone unrelated to the matter. For example, in the context of higher education, the term “year” is an ambiguous term. If necessary, it is important to define whether you are referring to a calendar year or an academic year. This would matter in a dispute.
- **Term:** The Agreement should state the length of term of the agreement. No work should take place prior to the beginning of the term of the contract. The document should be signed prior to the starting date.

- **Rights and Responsibilities of Each Party:** The document should reflect what each party is responsible for. There should be no ambiguity about who is responsible for what. If possible, these roles should be clearly defined into two separate sections to assist each party's understanding of their responsibilities under the document.
- **Termination of Program:** The agreement should state how each party can terminate the relationship.
- **Connecticut Mandatory Contracting Language.** University contracts must also contain mandatory contracting language. This information may be found, in part, on the University of Connecticut's [Attorney General's website](#).
- **Signature Lines:** That provide space for qualified individuals to sign and date the document.

When developing a contract, please contact Denielle Burl, Director of Risk Management, for assistance in drafting terms and conditions that fit your needs and comply with state requirements.

Important Notes:

- Under the Connecticut General Statutes, only the Board of Trustees is permitted to enter into contracts on behalf of the University. In 2004, the Board established a signing delegation granting various administrators the authority to sign contracts based on the dollar amount of the contract. That document can be found here: <http://www.psa.uconn.edu/forms/signature.pdf>.
- In Connecticut, as is in most states, a person under the age of 18 cannot lawfully enter into a contractual agreement. Please make sure that when dealing with minor students, you have both the student and a parent or guardian sign the form.

University Policies that Pertain to this Issue:

- [University Guide to State Code of Ethics](#)
- [University Consulting Policy](#)
- [Laws, Bylaws, Rules of the University](#)

Resources:

- Denielle Burl, Director of Risk Management, who may be contacted at denielle.burl@uconn.edu or 860.486.2265.
- Office of the Attorney General at the University of Connecticut, which may be reached at 860.486.4241.