

ARTICLE VIII: COURSE AND VENDOR CONTRACTS
Section 1. Protocol and Procedures for Contracts
Policy 1.1: University Policy on Contracts
Issued: June 1, 2001

This is to bring to your attention a newly implemented university policy concerning contracts with external vendors.

Effective immediately, all contracts must be reviewed by and have the approval of the University President before being signed. In some cases, review by the Office of Labor and Legal Affairs will also be required.

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a. Development

- 1) Development of Proposals The unit of work is the Educational Contract which normally is intended to support the off-campus offering of special instructional services at the site of the contractor. The faculty member or team will keep the Department Chair and Dean informed of contracts under discussion.
- 2) Program/Curricular Approval The offering of credit requires that the specific course to be provided through the contract is in the approved curriculum. Appropriate tailoring of an existing course to meet a contractor's needs, or the use of "Title Varies" courses should provide the flexibility necessary. Where entirely new courses appear to be required to meet the needs of the contractors, those offerings would be subjected to the regular new course approval before the contract could begin.

b. Approval/Management

- 1) Contract Review and Approval The faculty member will prepare, with the assistance of the Office of Sponsored Programs, a proposed contract and budget for campus circulation following established grant and contract procedures. After approval on campus, the contract will be submitted to the contractor for signature. Particular attention will be paid to approval status of course(s) to be offered, and space requirements if the offering is to be on-campus.
- 2) Post-Award Procedures The Provost will ensure notification of Admissions and Records staff of the award of a contract, Existing procedures for establishing the account and reporting to the Department Chair and Dean, will be employed. The executed contract will be retained in the official file of record in the Business Office.
- 3) Admissions and Records Procedures A Course Schedule Maintenance Form must be completed and approved by the appropriate College Dean and the Provost and forwarded to the Office of Admissions and Records for computer processing at least one week prior to the beginning of the

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term. Courses will not be listed in the Schedule of Classes. The section capacity will be designated as zero. (Additional restrictions may be determined by contract.)

Students will register on the first day of the class meeting within the class, similar to students enrolling for extension classes.

- (a) All registrants not admitted to a degree program must complete an application for admission as a Student-at-Large to Chicago State University, regardless of their previous status at the University.
- (b) Students who subsequently pursue a degree program must reapply and submit all appropriate required documents.
- (c) All of the above forms will be returned prior to the 10th day reporting deadline to the Registrar to ensure grade reports at term's completion. Contract courses which begin during the semester, after the 10th day, will result in one term's delay in the issuance of grade reports.
- (d) Once admitted, students would be enrolled on site as is done in extension courses.
- (e) A list of enrolled students will be provided to the Business Office and Admissions and Records.
- (f) Admissions and Records will assemble kits for instructors which will include registration materials and viewbooks.

- 4) Reporting At the close of the project period, the faculty member will prepare any required narrative report. A financial report, if required, will be prepared by the Business Office.

c. Student Status

- 1) Status The general practices of extension courses will define the status of students served by educational contracts. Enrollment would be limited to students initially selected by the contractor and approved by the faculty member as academically qualified for the course. Those previously not

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admitted to Chicago State would apply as Students-at-Large. Once admitted, students would be enrolled, on site, as is done in extension courses.

- 2) Enrollment Ceilings Since full costs are recovered, the addition of these classes outside the regular schedule should not affect enrollment ceiling computations.

d. Pricing Principles

- 1) Direct Costs Full recovery of direct costs will be required. The exact salary of the faculty member providing the service will determine the personnel costs, and will permit precise budgeting of the contract and accurate transfer of funds internally. Support costs will be requested as required by the specific project.
- 2) Indirect Costs An off-campus rate will be applied uniformly to all contracts not performed on campus. In unusual cases where the course(s) is(are) offered on campus, full indirect costs will be assessed.
- 3) Contract Budget The contractor will be offered a fixed price contract payable at execution or at the start of the contract. The line item budget will be for internal use and to establish the contract figure which will not be itemized in the contract.

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Policy 1.3: Employee-Vendor Contracts
Issued: March 22, 2006

I. DEFINITIONS

The following definitions are central to:

A) *Employee* – any individual who is presently employed by the University.

B) *Employee with Teaching or Research Responsibilities* – an academic appointee who is engaged in teaching and/or research activities, and certain staff employees (e.g., Staff Research Associates) who may participate in teaching or research activities.

C) *Former employee* – an individual who has retired or separated from the University, was dismissed, or was otherwise formerly employed by the University.

D) *Near Relative* – the grandparent, parent, aunt, uncle, brother, sister, spouse, domestic partner, child, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, niece, nephew, grandchild, or any step-relative in the same relationship. Near relatives also include any member of University employee's immediate household.

E) *Employee-Vendor Relationship* – a relationship in which:

- An employee, acting alone, proposed for a consideration to lease or sell goods or to provide services to an University department; or
 - An employee owns or controls more than a 10% interest in any business which proposes for consideration to lease or sell goods or to provide services to a University department; or
 - A former employee, acting alone, proposes for consideration to lease or sell goods or to provide services to a University department; or
 - The near relative of an employee, acting alone, proposes for consideration to lease or sell goods or to provide services to a University department, when the employee has, in any connection with his or her University employment, any responsibility for or will be involved in any manner in the department's decision to accomplish or approve the transactions; or
- The near relative of an employee owns or controls more than a 10% interest in a business, which proposes for consideration to lease or sell goods or to provide services to a University department, when the employee has, in any connection with his or her University employment, any responsibility for or will be involved in any manner in the department's decision to accomplish or approve the transactions.

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II. BASIC POLICIES

A. Separation of Interest – It is the policy of the University to keep separate an employee’s University and private interest, and to safeguard the University and its employees from charges of favoritism in the acquisition of goods and services.

B. Conflict of Interest – The University prohibits an employee from making or participating in the making of a decision if there is a financial conflict of interest.

C. Restrictions on Purchases/Leases/Contracts – The following rules apply to any purchase or lease of goods or contract for services made with a University employee, former employee, or the near relative of an employee:

1. Employee – No purchase or lease of goods or contract for services may be made with a University employee who has an employee-vendor relationship, as defined in Section I, without full-disclosure and prior approval by the President. However, the University may enter into a contract for goods or services with an employee, provided that the material manager or designee has made a specific determination that the goods or services are not available or more expensive either from commercial sources or from within the University.
2. Former Employee – The University may not purchase or lease goods from or contract for services with any former employee who has an employee-vendor relationship as defined in Section I, including one who has had teaching or research responsibility, when:
 - a. Less than one year’s time has elapsed since the individual separated from University employment, and the individual had been engaged in any of the negotiations, transactions, planning arrangements, or any part of the decision-making process relevant to the contract during the period of employment; or
 - b. Less than six months has elapsed since the individual separated from University employment, and the individual had been employed by a department in a policy-making position in the same general subject area as the proposed contract.

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Notwithstanding the forgoing provisions of paragraphs a. and b., the University may enter into a contract for services with a retiree immediately following retirement if the retiree did not participate in a major way while serving as an employee in the making of the contract for services. The post-employment restrictions in paragraphs a. and b., however, apply to any former University employee, including a retiree, who proposes to sell or lease goods to the University.

3. Near Relative – The University may purchase or lease goods from or contract for services with the near relative of any employee, provided that the material manager or designee has made a specific determination that the goods and services are not available either from commercial sources or from within the University.

D. Inspection and Verification of Vendor Status – Whenever it becomes necessary to ensure an understanding of the facts presented, the responsible official or designee must inspect the business premises and records of a prospective employee-vendor or near-relative vendor.

E. Exceptions – The President has delegated authority to approve exceptions to this policy.

III. DISCLOSURE STATEMENT

A. Circumstances Requiring Certification – A University employee, former employee, or the near relative of an employee must submit a written and signed disclosure statement conforming to the requirements of Section III B. and C. with any quotation or proposal to the University.

B. Contents – The Disclosure Statement must:

1. Indicate the University department(s) and position(s) of the employee-vendor. In addition, a former employee must state the date of his or her separation from the University.
2. Disclose the employee's, former employee's, or employee's near relative's financial interest in the proposal.
3. Specify the employee's and/or near relative's relationship to or financial interest in any business entity involved in making the quotation or proposal.

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4. Indicate whether the employee has any responsibility for or will be involved in any manner in the departmental decision to accomplish or approve the transaction. In the case of a former employee, indicate whether the employee had any responsibility for or was involved in any manner in the departmental decision to accomplish or approve the transaction.

C. Approvals – The required certification must be submitted to the department head requesting the contract. The department head must forward the statement to the Office of Labor and Legal Affairs, whereupon approval from the President will be sought.