



## Policies Governing Contracts

### Grants

Grants are not covered by this document. All grants must be processed through the Office of Research and Sponsored Programs following standard procedures.

### Contracts

The policies which follow apply to **contracts** between Central Michigan University and an outside entity, in which CMU is selling services or products to the outside entity. As used here, *CMU* refers to any department or unit within the **academic division** of the university. The policies do **not** apply:

- (a) when an individual faculty member is providing consulting services **independently** of the university, consistent with the policies in the collective bargaining agreement between CMU and the Faculty Association; or
- (b) to certain activities undertaken by the College of Extended Learning; the excluded activities are delineated in a separate document.

Within these policies, the term *department* refers to an academic department or university-recognized center, institute, or other entity within the academic division. The term *transmittal* refers to the transmittal form available from the Office of Research & Sponsored Programs (ORSP). This form is used to transmit grants and contracts to ORSP and to show that the project being transmitted is supported by the relevant department chair and dean.

Nothing contained herein is intended to override existing university policies.

#### I. **Contracts which must be processed through ORSP**

- A. A written contract and signed transmittal must be processed through ORSP whenever:
  - 1. the value of the contract exceeds \$1,200 or extends beyond a 1-month period; OR
  - 2. the contract involves a government agency; OR
  - 3. the CMU department or the other contracting party wants or needs a written contract; OR

4. the agreement involves an actual, potential, or perceived conflict of interest, as defined by the university's Conflict of Interest Policy<sup>1</sup>.
- B. The signed transmittal must be submitted to ORSP prior to CMU signing the contract. Ideally it should be submitted before the university bids on the contract or otherwise offers to provide the contracted services.
- C. The contract (regardless of what it is called) must be reviewed and approved by ORSP. To simplify this process, departments may request a "blanket" contract form for use with a variety of customers. The advantage of the blanket contract is that it will not need to be scrutinized by ORSP each time it is used, but like all contracts, it will still require the signature of someone with the appropriate contracting authority. In most cases, that will be the Assistant Vice President for Research.

## II. **Agreements which Bypass ORSP**

- A. Projects not covered by the provisions of Section I.A. (above) do not require a signed transmittal nor a written agreement and do not have to be reviewed by ORSP.
- B. The dean's office and ORSP will not receive any share of the overhead returns on these projects.
- C. Quarterly all departments will provide their Dean's Office and ORSP with a report on the income from these small, non-governmental contracts. The reports will include the following: date(s) of service, recipient(s) of service, nature of service, amount charged, amount paid, and name of the faculty member. The reports will be due as follows: Time period July 1 to September 30 must be submitted no later than mid October; time period October 1 – December 31 must be submitted no later than mid January; time period January 1 – March 30 must be submitted no later than mid April; time period April 1 – June 30 must be submitted no later than July 1. ORSP will include this income information in its reports to the Board of Trustees and its annual report.

In order to facilitate record-keeping, each department is encouraged to deposit the funds from these projects into a single 4-account which is maintained by the department.

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<sup>1</sup>If one is uncertain whether there is a conflict of interest, one should consult the Vice Provost for Research in the Office of Research and Sponsored Programs (774-6777) who will make the determination.