

## Contracts Business Process Guide July 2022

Questions about the Guide's procedures?

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### I. Contracts Overview

The University of Wyoming's Contracts Business Process Guide is designed to assist campus personnel (administrators, staff, faculty, and researchers) to understand the general process of creating and managing legally binding contracts.

The University of Wyoming uses a wide range of agreements (such as purchase orders, invoices, agreements for services, terms and conditions, or other "contracts") to conduct business in support of UW's mission. For the purposes of this Guide, "contract" is used to refer to all such agreements. This Guide is available on the Financial Affairs Training website and will be edited as needed to incorporate important updates.

## II. Definitions

**Authorized Signer:** Individual with signing authority.

**Bid:** Competitive price offered by a supplier for services.

**Contract:** An agreement (oral or written) between two or more parties where there is a mutual exchange of promises or other consideration upon defined terms and/or conditions. Although contracts for the University of Wyoming are primarily written documents, there can be enforceable oral contracts.

**DocuSign:** Software provider used by the university to send and sign agreements.

**Employee/Independent Contractor (E/IC) Determination Worksheet:** The U.S. Internal Revenue Service and the State of Wyoming classify workers as either Independent Contractors or Employees for the purpose of determining income, withholding, Social Security, Medicare and unemployment tax liability. In order to ensure that individuals performing services for the university are properly classified, the ([E/IC Determination Worksheet](#)) is found on the Office of General Counsel website and must be completed by the hiring department and approved prior to entering into a contract for services.

**Good:** Supplies, materials, and equipment purchased by university departments.

**Quote:** Estimated price of a good or service.

**Service:** Labor, time, or effort furnished by an outside entity to the university.

**Signing Authority:** In order to manage the risk and liability associated with contracts, only a few individuals have authority to bind the university to an agreement. [See [UW Reg. 7-2](#) & [PD 3-2014-1](#) found on the [UW Regulations and SAPPs website](#), Section 7]

**Memorandum of Understanding (MOU):** an agreement between two or more parties outlined in a formal document. It is not legally binding but signals the willingness of the parties to move forward with a contract.

## III. Roles/Responsibilities

### *Contracting Unit*

- Ensures that the [Quote and Bid Threshold Policy](#) found on the Financial Affairs website>Policies>Procurement and Payment Services has been met for all goods and services. Documentation showing compliance with the Quote and Bid Threshold

- Policy must be uploaded into WyoCloud under Supporting Documents under the **Documents** tab.
- Examines the purpose of each agreement clarifies/verifies the information to ensure that the agreement serves the university's interests in the best way possible and that the services are needed. Reviews the business and technical terms of the agreement.
  - Ensures that the service provider is entered as a supplier in WyoCloud.
    - If the service provider is not entered as a supplier in the system, you must have them complete the [Supplier Self Registration](#) found on the Financial Affairs website>Forms>Procurement and Payment Services.
    - If there is not going to be an exchange of funds, the unit can contact Office of General Counsel to set up a supplier outside of the self-registration.
  - Submits the agreement through the WyoCloud contract module for review by appropriate entities.
  - Determines if a signature from the supplier is needed after the contract is signed by the appropriate UW signatory.
    - If a signature is needed, the contracting unit must send the contract to the supplier outside of WyoCloud. Once the contract has been signed by the supplier (and initialed if necessary), it must be uploaded back into WyoCloud under Supporting Documents under the **Documents** tab.
  - Creates requisition for services outlined within the contract (if contract involves payment).

#### *Dean of College/VP of Department*

- Reviews contract to determine if the services/goods purchased will be beneficial and are needed by the division.
- Approves the contract in WyoCloud.

#### *Relevant Departments*

- Reviews contract as it relates to their area of expertise
- Approves or rejects contracts in WyoCloud (IT, Research, Risk, Tax, etc.) after they are automatically routed to the relevant department(s).

#### *Office of General Counsel*

- Reviews contracts and agreements for legal issues and concerns.
- Approves or rejects contracts after the review process is complete.
- Uploads a "signed" or "executed" version of the contract into WyoCloud.\*

#### *Procurement & Payment Services*

- Reviews Contracts and Agreements for:
  - Catering
  - Printing & Publishing Services

- Private Entity Lab Services
- Public Entity Lab Services
- Hotel/Banquet Events less than \$20,000
- Reviews contracts and agreements for compliance with [UW's Quote and Bid Threshold Policy](#). This policy is found on the Financial Affairs website>Policies>Procurement and Payment Services.

#### *Authorized Signer*

- Signs the contract via **DocuSign** once the contract has been approved by all appropriate parties. \*
- Reviews contract and agreement for alignment with the university's mission and objectives.



**\*Note:** Designated signers are not allowed to sign contracts without the Office of General Counsel's approval

#### *Supplier/Grantor*

- Completes the [Supplier Self Registration](#) if the service provider is not already entered as a supplier in WyoCloud.
- May be requested to sign (and initial, if necessary) the contract before it is uploaded and active within the WyoCloud system.



**\*Note:** Contracting unit must determine if the contract needs to be initialed/signed by the supplier.

## IV. Introduction to Contracts

### **What is a Contract?**

A **Contract** is an agreement between two or more parties where there is a mutual exchange of promises or other consideration upon defined terms and/or conditions. Although contracts for the University of Wyoming are primarily written documents, there can be enforceable oral contracts.

Written contracts may take many forms including:

- Agreement for Services

- Letter of Agreement
- Purchase Order
- Online Terms & Conditions
- Invoice
- Quote with a link to Terms & Conditions

### When is a Contract Required/Not Required?

*Conditions in Which a Contract **\*IS\*** Required (examples, not an exhaustive list):*

- A supplier creates a contract for services, regardless of the amount
- All service agreements on the Agreement for Services template (found on the Office of General Counsel website). Generally, over \$10,000, but can be used for more complex arrangements for less than that amount.
- Goods & Services are combined (e.g., training/installation for equipment)
- Use of Facilities/Rental agreement, including hotel agreements.
- A Memorandum of Understanding (MOU) or Collaborative Education Agreement on UW's template or the supplier template (even if no money is involved).
- Technology Purchase (Must adhere to [Accessibility Policy for Technology Purchases](#)). **\*\*Utilizing the Procurement Catalog through CDW-G or ordering Apple products through the University Store does not require the contract process.**
- A software license/maintenance agreement (Must adhere to [Accessibility Policy for Technology Purchases](#))



**\*Note:** The university's [Quote and Bid Threshold Policy](#) found on the Financial Affairs website>Policies>Procurement and Payment Services requires a unit, through the Procurement Services Office, to obtain quotes for services totaling \$10,000 to \$99,999 and to obtain bids for services totaling \$100,000 or more. Please review the policy for more details about the requirements and exceptions.

*When a Contract is **\*NOT\*** Required:*

- Purchase of goods only
- Agreement between UW departments
- Service arrangement is valued at \$9,999 or less
  - **Service arrangements valued under \$5,000:**
    1. Services may be paid for using a procurement card (p-card) or requisition with supporting documentation attached. Please review the policies for Procurement & Payment Services on the Financial Affairs website under [“Policies & Reference Material”](#) or contact Procurement Services for more information (Email: [procurement-card@uwyo.edu](mailto:procurement-card@uwyo.edu) or Phone: 307-766-5233).

- **Service arrangements valued between \$5,000 & \$9,999:**
  1. Complete the [Statement of Work](#) form, found on the Office of General Counsel website, and obtain the service provider's signature.
  2. Complete the [Employee/Independent Contractor \(E/IC\) Determination Worksheet](#) found on the Office of General Counsel website. The E/IC Determination Worksheet is an internal document that should not be sent to or filled out by the service provider.
  3. Initiate a Requisition and attach the following documents: (1) the completed and signed [Statement of Work](#); and (2) the completed and signed [E/IC Determination Worksheet](#).



**\*Note:** If you are using the template [Agreement for Services](#) for a service arrangement valued at below \$10,000, you must send it through the Office of General Counsel contract process in WyoCloud.

## What is needed to complete the Contract Process?

### 1. Time

Completing a contract can be a lengthy process. Be sure to start early and allow time for adjustments before payment must be made, the event occurs, the supplier's deadline to return the contract, etc.

### 2. Employee/Independent Contractor Determination Worksheet

If the agreement involves a professional service or payment to a foreign individual/business, an [E/IC Determination Worksheet](#) found on the Office of General Counsel website must be completed. This document is to be kept as an internal document and should not be sent or filled out by the service provider.

If the payment will be made to a foreign entity and all services will be performed outside of the U.S., contact the Tax Office for a foreign source income statement form that will need to be completed by the supplier.

### 3. Contract Document

If the service provider supplies its own contract, the Office of General Counsel will ensure it meets all university guidelines and policies. If the contracting unit is providing the contract, the Office of General Counsel provides [forms and template agreements](#) on their website.

### 4. Supporting Documentation

Any documentation pertinent to the contract should be included with the agreement. Examples of supporting documentation include Sole Source Justification with approval from

Procurement, Request for Proposal (RFP) documentation, emails from the Supplier, etc. If the agreement is a renewal, include a copy of the previous agreement under supporting documents; if you are amending or extending the contract, see [Amending a Contract](#) in this Business Process Guide.

#### 5. *Payment Amount*

Payment terms of service as negotiated with the Supplier must be determined. Please contact Procurement and Payment Services for information and instructions regarding payment.

#### 6. *Appropriation of Funds*

Funding source for payment of services must be determined. Review the [Chart of Accounts website](#) and departmental account string documents to ensure the proper funding source is used.

#### 7. *Service Provider Listed as Supplier in WyoCloud*

If the service provider is not listed in the system as a supplier, you must have them complete the [Supplier Self-Registration](#) process. The one-page instructional documentation, along with other documents the supplier may need to reference, are available on the Financial Affairs website>Forms>Procurement and Payment Services>Procurement Services.

- If there is not going to be an exchange of funds, the unit can contact Office of General Counsel to set up a supplier outside of the self-registration.

### **Who is able to sign a Contract?**

UW produces over 2,000 contracts and agreements per year. In consideration of the risk and liability that comes with signing a binding contract, only a few authorized individuals have signing authority pursuant to the following UW Regulations & Presidential Directives ([UW Regulations and SAPPs website](#), Section 7, Finance and Business):

- [UW Regulation 7-2: Signature Authority](#)
- [UW PD 3-2014-1 Signature Authority](#)

Signing authority only applies to contracts that bind the university. Signatures on other paperwork (example, Human Resources paperwork) are not controlled by the regulation or presidential directive.

### **WyoCloud Contracts Module**

The Contracts module in WyoCloud is used to create, amend, and search for all contracts the university has executed since the inception of WyoCloud. The [Quick Reference Guides \(QRGs\)](#) found on the Knowledge Base for Contracts will showcase how to navigate to the module and create/amend/search for a contract. Access to the Contracts module is only granted after completion of additional training.

To create or approve contracts, any employee can take the training and receive access. Employees can self-enroll in the training in OLC – Course Name: [WyoCloud Financial Management Introduction to Contracts Training](#).

## V. Contract Process

### Creating a New Contract

*Process if Supplier Requires Use of Its Own External Contract:*

- **Step 1:** Ensure that the service provider is entered as a supplier in WyoCloud.
  - Determining whether a supplier is entered in WyoCloud can be done by searching for them using the “Manage Suppliers” tool in the Procurement module, or by calling the Procurement Office.
  - If the service provider is not entered as a supplier in the system, you must have them complete the Supplier Application [forms](#) available from Procurement.
  - If you will not be making a payment to the supplier (there is no money exchanged or they are paying UW) and they are not currently in WyoCloud as a supplier, please contact the Office of General Counsel by email.
- **Step 2:** Complete the [Employee/Independent Contractor \(E/IC\) Determination Worksheet](#) found on the Office of General Counsel website if the agreement involves a professional service or the agreement involves payment to a foreign individual or business.
  - The E/IC Determination Worksheet is an internal document that should not be sent to or filled out by the service provider. This **must** be uploaded onto the Documents tab in WyoCloud if the agreement meets the requirements above.
  - If the payment will be made to a foreign entity and all services will be performed outside of the U.S., contact the Tax Office for a foreign source income statement form that will need to be completed by the supplier and uploaded onto the Documents tab in WyoCloud.
- **Step 3:** Complete the WyoCloud contracts process explained in the [Creating the Contract Quick Reference Guide](#).
- **Step 4:** Once the contract has been submitted for approval via WyoCloud, the follow steps occur automatically:
  - 1) The contract is sent to a Dean or a Vice President (or designee) for approval or rejection;
  - 2) The contract is routed to relevant departments for "checklist" approvals or rejections (Procurement, IT, Research, Tax, etc.);

- 3) The contract is reviewed and approved or modified as necessary by the Office of General Counsel;
  - 4) Once the contract is approved by all approvers, the Office of General Counsel sends it for signature via **DocuSign**.
- **Step 5:** Once the contract has been signed by the correct UW signer (as determined by [UW Regulation 7-2: Signature Authority](#) and the Office of General Counsel), the person who submitted the contract ("contract owner") will receive an email from **DocuSign**.
  - **Step 6:** The contract owner must then determine if the contract needs to be initialed and/or signed by the supplier.
    - If so, the contract owner must download the contract from DocuSign and send the contract to the supplier outside of WyoCloud. Once the contract has been signed by the supplier (and initialed if necessary), it must be uploaded back into the "Documents" tab.
    - If a supplier signature is not needed, the contract owner may move to the next step of the contract process.
  - **Step 7:** Once the contract is fully signed, the contract owner may complete the requisition process for services. To complete a requisition, follow the [Create a Non-Catalog Requisition QRG](#).



**\*Note:** If the supplier requires a contract in any form, then the contract needs to be submitted through the above process. This is required regardless of the amount at which the contract is valued.

*Process if Supplier **Does Not** Require Use of Its Own External Contract:*

- **Step 1:** Complete the [Agreement for Services](#) template found on the Office of General Counsel website. You must fill in and complete the following sections: (1) the contracting party in the heading; (2) sections 1, 3, 5, 6, and 8(K); and (3) Exhibit A (the more detail, the better).
- **Step 2:** Complete the [Employee/Independent Contractor \(E/IC\) Determination Worksheet](#) found on the Office of General Counsel website if the agreement involves a professional service or if the agreement involves payment to a foreign individual or business. The E/IC Determination Worksheet is an internal document that should not be sent to or filled out by the service provider.

- If the payment will be made to a foreign entity and all services will be performed outside of the U.S., contact the Tax Office for a foreign source income statement form that will need to be completed by the supplier and uploaded onto the Documents tab in WyoCloud.
- **Step 3:** Follow the [Creating the Contract Quick Reference Guide](#) to submit the agreement in WyoCloud. Ensure that you upload the completed Agreement for Services, E/IC Worksheet, and other supporting documentation in the appropriate locations as stated in the Quick Reference Guide.
  - **Step 4:** Once the service contract has been submitted for approval via WyoCloud, the following process occurs:
    - 1) The contract is sent to a Dean or a Vice President (or designee) for approval or rejection;
    - 2) The contract is routed to relevant departments for “checklist” approvals or rejections (Procurement, Risk Management, IT, Research, Tax, etc.);
    - 3) The contract is reviewed and approved or modified as necessary by the Office of General Counsel;
    - 4) Once the contract is approved, the Office of General Counsel sends the Agreement for Services for signature via **DocuSign**.
  - **Step 5:** Once the [Agreement for Services](#) has been signed by the correct UW signer (as determined by [UW Regulation 7-2: Signature Authority](#) and the Office of General Counsel, the person who submitted the contract ("contract owner") will receive an email from **DocuSign**.
  - **Step 6:** The contract owner must then determine if the contract needs to be initialed and/or signed by the supplier.
    - If so, the contract owner must download the contract from DocuSign and send the contract to the supplier outside of WyoCloud. Once the contract has been signed by the supplier (and initialed if necessary), it must be uploaded back into the “Documents” tab.
    - If a supplier signature is not needed, the contract owner may move to the next step of the contract process.
  - **Step 7:** Once the contract is fully signed, the contract owner may complete the requisition process for services. To complete a requisition, follow the [Create a Non-Catalog Requisition QRG](#).

### Amending a Contract

If you need to **amend a Statement of Work** (for service arrangements originally valued at \$5,000 to \$9,999), the following process applies:

- **Step 1:** Complete the [Amendment to Statement of Work](#) found on the Office of General Counsel website and obtain the service provider's signature. Review by the Office of General Counsel is not required.
- **Step 2:** If you are decreasing or increasing the payment amount (and if a purchase order (PO) has already been issued for the original purchase), initiate a Change Order with Procurement Services and attach the Amendment.

If you need to **amend an external contract or an Agreement for Services**, the following process applies:

- **Step 1:** Obtain an amendment from the supplier or complete the [Amendment to Agreement for Services](#). You must fill in and complete the following sections: (1) the contracting party in the heading; and (2) the commencement date of the original agreement (not the date of the amendment or any previous amendments). Numbers 1 and 2 on the amendment are examples and can be deleted or re-worded as necessary.
- **Step 2:** Use the Actions drop down option, “Amend” from the original contract entry in WyoCloud. Make all necessary changes to the contract entry, including following the [Searching for & Amending the Contract Quick Reference Guide](#) to ensure everything is done correctly. Make sure you upload the Amendment to the Contract Terms tab, and leave the original contract on the Documents tab.
- **Step 3:** The contract will go through the process as provided in the [Creating the Contract Quick Reference Guide](#).
- **Step 4:** If you are decreasing or increasing the payment amount (and if a purchase order (PO) has already been issued for the original purchase), initiate the [Change Order Process for Purchase Orders](#) with Procurement Services and attach the Amendment.

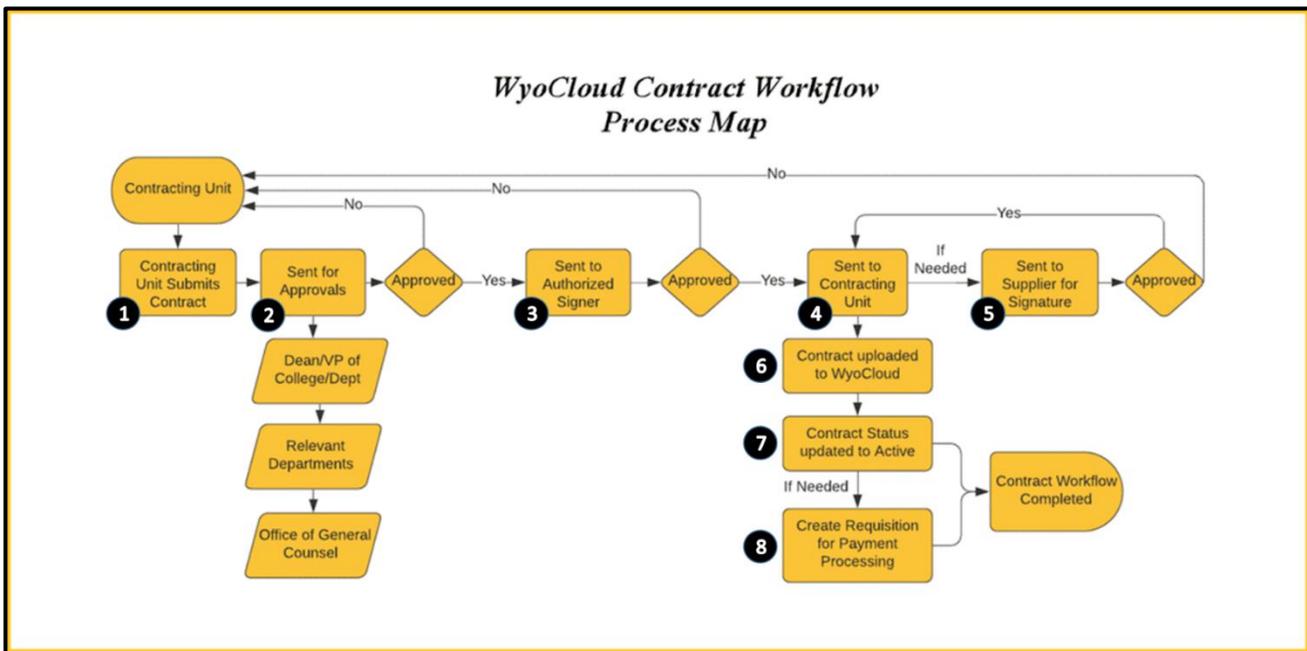
## VI. Quick Reference Guides (QRGs) for Step-by-Step Instructions

- [Creating the Contract](#)
- [Searching for & Amending the Contract](#)
- [Create a Non-Catalog Requisition](#)
- [Contract Status Report](#)

**VII. Additional Resources**

- [Office of General Counsel Website](#)
- [Financial Affairs Training Website](#)
- [UW Regulations and SAPPs Website](#)
- [Chart of Accounts Website](#)
- [WyoCloud Knowledge Base](#)

**VIII. Contract Workflow**



1. The Contracting Unit completes the WyoCloud Contract Process and submits the contract for Approvals.
2. Once Submitted, the Contract is routed to:
  - Dean or Vice President of College/Department
  - Relevant Departments (Procurement, IT, Research, Risk Management, etc.)
  - Office of General Counsel.

3. After receiving Approval, the Office of General Counsel emails the Contract to the Authorized Signer as determined by UW Regulation 7-2 and Presidential Directive 3-2014-1. The Authorized Signer will need to sign the contract via DocuSign.
4. Once a Signature has been obtained, the Contracting Unit will receive an email from DocuSign. The contract owner must then determine if the contract needs to be initialed and/or signed by the Supplier.
5. If needed, the Contracting Unit must download the contract from DocuSign and send the Contract to the Supplier outside of WyoCloud for Signature.
6. Once the Contract has been signed by the supplier (and initialed if necessary), it must be uploaded back onto the Documents tab on WyoCloud and you can move onto the Requisition process.
7. If the Contract involves Payment, a Requisition can be created once the Contract is fully signed. You must attach a copy of the fully signed contract to the requisition, along with any other documentation required by Procurement.



**\*Note:** If rejected by any Approvers, the Contract must be resubmitted after making the appropriate edits.

## IX. Contacts for Questions

### *Contract Process*

- Email Jordan Ditty-Suggs ([jdittysu@uwyo.edu](mailto:jdittysu@uwyo.edu)) or Carrie Hesco ([chesco@uwyo.edu](mailto:chesco@uwyo.edu))

### *Employee/Independent Contractor (E/IC) Determination Worksheet*

- Contact Tax Office at [tax@uwyo.edu](mailto:tax@uwyo.edu) or 307-766-2821

### *Quote and Bid Threshold Policy/Purchases*

- Contact Procurement Services at [procurement-card@uwyo.edu](mailto:procurement-card@uwyo.edu) or 307-766-5233

### *Payments*

- Contact Payment Services at [accounts-payable@uwyo.edu](mailto:accounts-payable@uwyo.edu) or 307-766-5296