BOARD OF REGENTS POLICY:
Legal Review of Contracts and Transactions

This policy governs all contracts made on behalf of the Board of Regents (Board) of the University of Minnesota (University).

SECTION I. DEFINITIONS.

Subd. 1. Contract.
Contract shall mean any written commercial contract or other agreement that creates a binding obligation upon the University.

Subd. 2. Transaction.
Transaction shall mean any agreement for which a contract will be prepared that has not yet been reduced to final written form but whose essential business terms have been approved by the affected University unit.

SECTION II. INTERNAL CONTROL.

The general counsel shall:

(a) Create and maintain for the University an appropriate framework of internal control (1) to evaluate and protect the University's interests in the execution of contracts and (2) to ensure presentation to the Board of all contracts and transactions that require Board notification or specific Board approval.
(b) Develop appropriate procedures and forms, in consultation with affected University units, to implement this policy and achieve the objectives as stated in Board policy. The procedures and forms shall be designed so that:
    (1) contracts comply with applicable laws and regulations and University policies and standards;
    (2) contracts are properly executed by a person with delegated authority;
    (3) significant or unique legal risks are brought to the attention of the person authorized to execute the contract; and
    (4) contractual obligations of the University are undertaken using an appropriate form.

SECTION III. CONTRACTS AND TRANSACTIONS REQUIRING BOARD APPROVAL.

All contracts and transactions that are subject to specific approval by the Board shall be reviewed first by the general counsel to ensure that:

(a) the contract or transaction summary presented to the Board accurately reflects the terms agreed to by the University;
(b) the contract is or, in cases where only a transaction summary is presented, will be prepared for execution by an authorized University official; and
(c) the contract is or, in cases where only a transaction summary is presented, in compliance with applicable laws, regulations, and Board and administrative policies.

SECTION IV. EXEMPTION.

The general counsel may exempt from individualized legal review:

(a) contracts that are prepared on forms developed by the general counsel;
(b) contracts that are prepared on forms developed by others that have been approved by the general counsel; and
(c) contracts that do not present material risks because, prior to their execution, they have been evaluated by the president or delegate using procedures, instructions, and checklists provided by the general counsel or otherwise meet criteria for exemption established by the general counsel.

REVISION HISTORY

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