

Instructions for Completing a Contract
Last Updated 5/12/10

Note: Contracts must be completely signed and on file with the Procurement & Logistics Office and a purchase order must be completed before the beginning date of the contract. Contractors may not commence work until the contract originator receives a completely signed copy of the approved contract from Procurement & Logistics.

Late contracts will be returned to the originating department for valid explanation of the violation of MN Statute 16A15, Subd. 3. The explanation is subject to review and approval by the Business Manager or the Vice President of Finance & Administration before the late contract can be processed. Here are the steps:

1. The Department determines need for services or project and uses the Independent Contractor or Employee Status Form to determine if the need is best met by hiring a contractor or an employee. If the need can only be met by a contractor, the department proceeds to Step 2.
2. The originator of the contract, acting as the state's authorized agent, determines if funds are available.
3. The originator reviews the contract thresholds and limits to determine whether a RFP process is necessary to procure a contract for the services.
4. The originator negotiates terms of the contract and completes a Data Disclosure Form and a Professional/Technical Services Contract from the MnSCU website at: <http://www.finance.mnscu.edu/contracts-purchasing/contracts/forms/index.html> . Preferably 3 originals should be printed and routed for signature. A purchase order encumbering funds for the contract should also be entered at this time (remember to use appropriate object codes for compensation and reimbursement).
5. The originator obtains the required information and signature of the contractor on all 3 originals.
6. The originator signs all 3 contract originals and routes for all required signatures.
Note: MnSCU forms have generic signature blocks. The approval signatures required by BSU and NTC are (in this order):
 - o Contractor
 - o State's Authorized Representative (Originator)
 - o Appropriate Dean or Director
 - o Appropriate Vice President
 - o Director of Procurement & Logistics
 - o Procurement & Logistics Agent (for encumbrance of funds)

Since there will usually not be enough signature spaces on the MnSCU form, the Dean/Director and the Vice President may sign in adjacent blank areas of the signature block section or blocks may be added.

7. The Procurement & Logistics Office reviews the contract for compliance with state and federal laws, MNSCU guidelines, and local rules and procedures. If not in compliance, the contract will be rejected and returned to the originator. If in compliance, the contract will be approved and copies will be sent to the originator and the contractor.
8. **Upon receipt of the approved and fully-signed contract from the Procurement & Logistics Office, the contractor may commence the project.**
9. Upon completion, the contractor submits invoice(s) for payment to the contract originator. (Note: If the contract allowed for reimbursement, expenses are reimbursed according to the COMMISSIONER'S PLAN EXPENSE REIMBURSEMENT which was attached to the contract. Contractors can use the ITEMIZED LIST OF CONTRACTOR'S REIMBURSABLE EXPENSES to seek reimbursement.
10. The originator approves payment of the invoice(s) by signing their full name, dating and writing "OK to pay" on the invoice(s). The originator then submits completed invoice(s) and any supporting paperwork to Accounts Payable, Deputy 201, #6.
11. Accounts Payable processes payment.