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## Contract Administration Policy

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| <b>Policy Sponsor:</b> | Vice President, Finance and Administration        |
| <b>Policy Contact:</b> | Director, Supply Chain Management                 |
| <b>Policy Number:</b>  | N/A   |
| <b>Effective Date:</b> | January 22, 2015                                  |
| <b>Approval Group:</b> | Governors of Athabasca University                 |
| <b>Approval Date:</b>  | January 22, 2015 Motion # 194-06                  |
| <b>Review Date:</b>    | To be reviewed biennially                         |
| <b>Procedure:</b>      | <a href="#">Contract Administration Procedure</a> |

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### **Purpose**

To ensure that the entering into and administration of contracts provides the best value to Athabasca University (the University) and is undertaken in an open, competitive, ethical and socially and environmentally responsible manner while remaining in full compliance with legislation.

This policy does not apply to employment contracts, labour agreements, research funding agreements or donor agreements.

### **Definitions**

#### **Account Holder**

The individual Employee who is responsible for expenditures against a specific budget or account.

#### **Contract**

A written agreement, purchase order, subcontract, letter of intent, memorandum of understanding, memorandum of agreement, lease, license, deed, grant, certificate, instrument, assignment, obligation or other document, which



creates an obligation on the part of Athabasca University or which may be binding upon Athabasca University.

**Contract Manager**

An Employee who has been delegated contract management authority.

**Contract Management Authority**

The authority delegated to an Employee to manage certain Contracts on behalf of Athabasca University.

**Contract Signing Authority**

The authority delegated to an Employee to enter into and sign certain Contracts on behalf of Athabasca University.

**Contract Signing Officer**

An Employee who has been delegated the authority to sign Contracts up to a certain level and assumes the associated responsibilities as outlined in the Contract Administration Policy and Procedure.

**Employee**

An individual under a contract of services to Athabasca University, as defined by the Canada Revenue Agency and the [Income Tax Act](#). The relationship is generally reflected in an employment contract.

**Goods and Services**

Those commodities and services required to conduct the business of Athabasca University, including those related to travel and hosting activities.

**Independent Contractor**

A business entity, unincorporated business or individual providing products or services under a contract for service, as defined by the Canada Revenue Agency and the [Income Tax Act](#)

**Purchasing Unit**

The group of Employees to whom the Vice President, Finance and Administration, has delegated authority to commit Athabasca University to acquire goods and services on behalf of Athabasca University. This group includes, but is not necessarily limited to: the Purchasing and Contract Services Units within Supply



Management Services, or such other position that is selected jointly by the Vice President, Finance and Administration, and any other executive member or Dean.

**Total Value of the Contract**

The total dollar value over the term of a Contract, including any Contract amendments. If the exact value of the Contract is unknown at the time of signing, a best estimate is to be used.

**Vendor**

A supplier or potential supplier of goods or services to Athabasca University.

**University Funds**

All sources of revenue directed to an account managed by Athabasca University. It includes grant funds awarded from both University and non-University sources, as well as funds awarded under the terms of contracts.

**Policy Statements**

**General**

The signing and administration of Contracts is fundamental to the efficient operation of the University, and represents significant financial, legal and compliance obligations.

All Contracts for Goods and Services are to be made in accordance with this policy, the [Purchasing Policy](#), related policies and procedures and all relevant federal, provincial and municipal legislation and regulations.

All Contracts must be entered into and administered in accordance with the [Income Tax Act](#)

In particular, careful attention must be given to ensure that:

- the Vendor is not classified as an Employee under Canada Revenue Agency guidelines - RC4110 Employee or Self-employed? (<http://www.cra-arc.gc.ca/E/pub/tq/rc4110/rc4110-14e.pdf>), and
- the Vendor is appropriately classified as a Canadian or Non-Canadian as per Canada Revenue Agency guidelines - T4061 NR4 - Non-Resident Tax Withholding, Remitting, and Reporting (<http://www.cra-arc.gc.ca/E/pub/tq/t4061/t4061-13e.pdf>)



All Contracts are to be entered into and administered in a fair, transparent, equitable and professional manner, in order to meet the requirements of the University end-user, while achieving best value.

All Contracts are to be entered into and administered with the objective of obtaining best value for the University over the life of the Contract, while ensuring proper stewardship of resources. All Contracts are to be reviewed from both financial and other resource (time, space, equipment etc.) perspectives.

All Contracts are to be in the best interest of the University and align with the University's mission and strategic plan.

Provisions are to be included as part of the Contract for adequate indemnity, insurance, risk mitigation and other appropriate protections.

Contracts must follow a competitive procurement process where legislation or the University policy and/or procedure dictate.

Employees entering into and administering Contracts on behalf of the University shall conduct themselves in an ethical manner, ensuring compliance with the University policies, in particular the Conflict of Interest Policy.

The University is committed to entering into and administering Contracts in a socially responsible manner by doing business with Vendors that commit to demonstrating social responsibility and ethics in their business operations.

Once a Contract has been approved and appropriately signed, the Contract Manager has a duty to ensure that the University and other parties to the Contract meet their respective obligations under the Contract.

### **Authority to Initiate, Sign and Manage Contracts on Behalf of Athabasca University**

The Governors of Athabasca University in the Delegation of Expenditure Approval Authority Policy establish expenditure approval authority and outline to whom and when it may be delegated. The policy, however, does not include the authority to make commitments to a Vendor or contractor.

Only an Employee duly authorized under this policy or related policies or procedures may enter into or sign a Contract with a Vendor on behalf of the University. Unauthorized individuals who make such commitments may be held personally responsible for any resulting obligations.

All Employees entering into or signing Contracts will adhere to the Contract Signing Authority limits outlined in the Contract Administration Procedure.



The University, at its sole discretion, may treat orders for Goods and Services placed in the name of the University without an authorized Contract, or without adherence to this policy, as an obligation of the person placing the order and not the obligation of the University.

An Employee may have their Contract Management Authority revoked by the Vice President, Finance and Administration, in consultation with the appropriate supervising Executive Member, if there is evidence the Employee is not adhering to this policy or the Purchasing Policy.

### **Applicable Legislation and Regulations**

[Post-Secondary Learning Act](#)

[Alberta Freedom of Information and Protection of Privacy Act](#)

[Employment Insurance Act](#)

[Income Tax Act](#)

### **Related References, Policies, Procedures and Forms**

[Contract Administration Procedure](#)

[Canada Revenue Agency guidelines - RC4110 Employee or Self-employed?](#)

[Canada Revenue Agency guidelines - T4061 NR4 - Non-Resident Tax Withholding, Remitting, and Reporting](#)

[Code of Conduct for Members of the University Community](#)

[Delegation of Expenditure Approval Authority Policy](#)

[Fraud and Financial Irregularity Policy](#)

[Protected Disclosure \(Whistleblower\) Policy](#)

[Purchasing Policy](#)

[Research Funding Administration Policy](#)

### **History**

The Board of Governors, January 22, 2015 Motion # 194-06 (Approved)