What is a contract?

- An agreement that includes three things:
  - An offer to provide a good or service, or a promise to do something or to refrain from doing something,
  - An acceptance of the offer, and
  - “consideration” i.e., the exchange of something valuable (money, work, mutual obligations, etc.)
Is an oral contract enforceable?

- Yes, a verbal agreement can create a legally binding contract.
- As a matter of good practice, all contracts should be written and all University contracts must be in writing.
What is a University Contract?

- Contracts that obligate the University’s resources or personnel in any way are “University Contracts”.

- Agreements are not University contracts if entered into on behalf of a:
  - Foundation (Including University Affiliated)
  - Student organization, or
  - Purely private interests.
Examples of University Contracts

- Software purchase agreements
- Agreements with hotels and conference centers
- License agreements for plays and musicals
- Agreements with publishers
- Agreements with independent contractors
- Articulation agreements
- Donor agreements
- Athletic agreements
Examples of University Contracts, cont.

- Event contracts
- Agreements for the use of University facilities
- Residence hall contracts
- Nondisclosure agreements
- Memoranda of Understanding
- Mutual Aid Agreements
- Personal Service/Consulting Agreements
Who is Authorized to Sign University Contracts?

- Only the Chancellor and Senior Staff members have authority to contract for the University, unless he/she delegates this authority in writing.
- Anyone else who enters into a contract that purports to bind the University or its subunits is acting without authority and can be held personally liable for the contract.
- Current delegations can be found online, http://administration.unca.edu/contract-delegation
What Terms are **NOT ALLOWED** in a University Contract?

- Indemnification clauses
- Hold harmless agreements
- Binding arbitration agreements
- Agreements requiring the University to purchase liability insurance
What Terms are **NOT ALLOWED** in a University Contract, cont.

- Agreement to be bound by the laws of a state outside of North Carolina
- Agreements to waive a statute of limitations
- Agreements to keep information confidential that would otherwise be a public record under state law
What Terms **MUST** be included in a University Contract?

- Beginning and end date
- Provisions for termination prior to the end date
- Designation of the responsibilities/obligations of the parties
What Terms **MUST** be included in a University Contract, cont.

- Schedule of payments (if applicable)
- Nondiscrimination and equal opportunity statements, and
- Signatures of authorized individuals
Responsibility of Person(s) Recommending a University Contract

- Language reflects current understanding of the parties
- Contract meets University’s program and mission expectations
- Contract is in best interest of University
- University can meet contract obligations and payments
- Contract is clear and consistent
- Other units (e.g. ITS) that may be affected are consulted and have agreed.
All contracts **MUST BE REVIEWED** by the General Counsel before signing.

General Counsel review is limited to determining compliance with law and policy, i.e. NOT whether it is a “good” or “wise” deal.

See University Contract policy: [https://administration.unca.edu/policies/3007](https://administration.unca.edu/policies/3007)
Questions?