Mississippi State University

Contract Guidelines Effective October 2025

Contents

1. Purpose

This document has been developed to assist all parties in better understanding the processes and procedures associated with contracts at MSU.

Note: All documents referenced within this document are available on the Office of Contract Administration (OCA) website, www.contracts.msstate.edu.

2. Rules

Contracts, agreements, memorandums of understanding or any other obligations or commitments to which the MSU will be held shall be entered into only after full compliance with these guidelines. The only exceptions are for the categories of contracts contained within the Delegation of Authority letters issued by the President to the Provost and Executive Vice President, the Vice President of Research and Economic Development, the Director of Technology Management, the Director of the Office of Sponsored Projects, and the Office of General Counsel.

Authority to sign contracts, agreements, memorandum of understanding or any other obligations or commitments to which the MSU will be held has been delegated by the President to the Division of Finance and Administration, specifically to the Director of Contract Administration. No one else is authorized to sign a contract unless they have a Delegation of Authority letter from the President.

A contract is "an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law". Black's Law Dictionary, Seventh Edition. With that background, all documents to be executed on behalf of MSU and any of its subunits, whether the subunits are referred to as a Center, a Department, a College, or otherwise, and which will result in a "contract" between MSU and a third party, must be handled consistently and must contain terms and conditions that are consistent with all applicable state laws, MSU policies, and Board of Trustees policies.

Contracts **must** be signed by all parties prior to the initiation of any services being provided.

EXCEPTIONS - A contract or purchase order is not required for a one-time purchase of less than $5,000, as long as no one from MSU is being asked to sign anything. This means it is permissible to purchase from a quote that references a website with terms and conditions, provided that an MSU employee is not required to physically sign anything.

A contract or purchase order is not required if using a ProCard to pay utilities.

A contract or purchase order is required if MSU will be expected to pay on a regular basis (copier, pest control, etc.).

There are certain types of services that do not require the use of a formal contract or purchase order. These services can be paid using the Accounts Payable Direct Payment (APDP) process. The exempt services are:

- Advertising of Employment Opportunities – Exception: All marketing agreements should be entered into with a contract and copies of the proposed advertisement should be submitted via a Bully Buy contract request
- Athletic Medical Services by Accredited Hospitals and Medical Clinics Athletic Officials (SEC or NCAA only)
- CVM Animal Lab and Medical Fees
- Employee Applicants - Reimbursement for actual expenses only
- Hospital EMT and CPR Training Services
- No-Fee based, Non-MSU Personnel Travel
- Postal Charges (i.e., to mailboxes, Campus & City Mail Services, etc.)
- Project/Subject Participants
- Telephone Services Utilities

3. Contracts

Contracting process – MSU's Office of Contract Administration accepts new agreement requests via the Contracts+ module in Bully Buy, the MSU's e-procurement and contract management platform. To initiate this process, the department submits a Bully Buy contract request and applicable documents to the Office of Contract Administration (OCA) via the Bully Buy portal at bullybuy.msstate.edu. Bully Buy information and training materials are available at www.contracts.msstate.edu. Bully Buy routes the contract request to appropriate approvers based on the requestor's org code, fund number, contract amount, and type of contract requested.

A. Completing the Bully Buy Contract Request

The Bully Buy Contract Request collects information necessary to process an agreement. Mandatory boxes must be completed. Optional boxes may be completed if a particular department or division would like additional documentation. It should be noted that some divisions/departments will require these fields to be completed when seeking upper-level approvals.

The Contract Request should be completed by filling in the following mandatory fields:

- Department – The department requesting the contract.
- Consultant/Contract Party Name – The name of the individual or firm entering into the contract with MSU. Note, if a contract party is not already a Bully Buy vendor, please submit a new vendor request.
- Description of Consulting/Contract Services – Brief description of contract.
- Vendor Contact Name and Email Address – The email address to which the department wants us to send the agreement for e-signatures.
- Term of Contract – The date the contract is to start and end. It should be noted that there is no legal authority to sign an agreement after the services have been received. The start date is the anticipated date when both parties have agreed to the contract. The end date is the anticipated date when the work will be completed. These dates should be the same as the dates shown in the contract. Unless you have exact dates (i.e., a performance on a specific date) it is best to estimate a longer period to ensure work is not completed outside of the contract term. (mandatory except in rare situations).
- Total Anticipated Cost – The total cost over the life of the contract.
- Revenue Contract – The total anticipated revenue over the life of the contract (mandatory if applicable).

The following additional guidelines should be followed in obtaining contract approval:

B. Contract Requestor

Each department should name at least one person to serve as a Contract Requestor. Contract Requestors must complete Contract Training provided by the OCA. The Contract Requestor should have internal controls in place to ensure the contractual agreement, to include consulting agreement, are formally documented and approved before effort is executed on a sponsored project.

Typical Contract Requestor Roles and Responsibilities are below:

- The Contract Requestor is the individual within the requesting department with the ultimate responsibility to ensure MSU receives the services and/or revenue set forth in the contract and that MSU pays the amount set forth in the contract for any services. To properly fulfill this function, it is imperative that the Contract Requestor fully understand the scope of the contract as well as the requirements set forth in the agreement. Some of the aspects the Contract Requestor may want to review are:
    - Verification that all services are performed as set forth in the contract.
    - Verification that all revenues are being received as set forth in the contract.
    - Verification that all applicable bonds and insurance documents have been received and are determined to be adequate, if applicable. Typically, this would only apply to Construction contracts and high dollar contracts.
    - As revenue is received, the Contract Requestor will make the appropriate deposit of revenue and document the revenue by adjusting the contract budget in Bully Buy.
    - Verification that the services have been received within the specified period.
    - Verification services received are equal or better than the quality required in the contract.
    - Verification charges are consistent with the contract.
    - Revenues received are consistent with the contract.

Depending upon the dollar amount of the contract and the term of the contract, it may be advisable to hire an accounting firm to audit the appropriate financial documents to ensure the revenues are appropriate and accurate. In some cases it may be advisable to include this in the requirements of the contract at the contractor's expense.

- The Contract Requestor is typically the individual with the most knowledge about the needs to be met by the contract and how the contract will meet those needs. They will have a full understanding of the products or services to be received as well as the timelines, level of quality, payment requirements, and other unique aspects of the agreement. If anyone has questions related to the product/service/terms/conditions/etc. the Contract Requestor would be the individual who could answer such questions. It is anticipated the Contract Requestor role could be filled by, but not limited to, any of the following: Primary Investigator, Lab Manager, Faculty Chaperone on a field trip or study abroad, etc.

If the Contract Requestor leaves his/her position during the term of the contract, or the department changes the Contract Requestor, it is the responsibility of the department to immediately notify OCA to name a replacement for the Contract Requestor who will assume all responsibilities listed above.

C. Contract Approver

By approving a Bully Buy Contract Request, the Approver is attesting to the following:

- They have the budgetary authority to make all payments contemplated by the contract.
- They know the contract will further the mission of MSU.
- They do not have or know of any conflicts of interest related to the contract.
- They have made a good faith effort to identify potential risks (financial, reputational, other) to MSU related to the contract and have taken reasonable actions to mitigate the risk and believe the risk to MSU is outweighed by the value received from the contract.

D. HRM Independent Contractor Verification

If you are contracting with an individual and not a company, the Bully Buy Contract Request will be routed to HRM to verify that the consultant/contractor is an independent contractor. The independent contractor approval is good for one year (from the date approved by HRM). Per Policy 65.04, in the event HRM determines the individual to be an employee, the Contract Request will be forwarded back to the department for initiation of the appropriate employment paperwork. If a budget revision is needed for a sponsored fund, submit the request through Office of Sponsored Projects if sponsor approval is required and if not submit an internal budget revision to Sponsored Programs Accounting.

E. Contract Payment

After full/partial services have been rendered depending on the payment terms included in the Contract and the Contract Requestor has fulfilled their responsibilities set forth in 3A, the department should create a Direct Pay Order in Bully Buy and link it to the appropriate contract. If a contract is paid via ProCard, an invoice and receipt should be included in the attachments section of the Bully Buy contract record, and the budget should be adjusted to reflect the payment. Instructions on creating a direct pay and adjusting the contract budget are available at https://www.contracts.msstate.edu/.

4. **Types of Contracts:**

MSU has standard contract templates to fit a wide variety of situations, and a Contract Requestor is not required to pick a specific template. An OCA Contract Administrator will review a contract request and use the template that best fits the request. However, there are some departments who have developed unique standard contracts applicable to their specific needs when those needs are required over a period of time with various vendors. If your department has developed a template (and it has been approved by OCA), please attach that template to the contract request.

If the contractor requires us to use their standard terms and conditions, we must conduct a great deal of additional legal review. A Contract Administrator will work with the contractor to negotiate contract terms as needed.

The most frequently used types of contracts:

- Affiliation Agreements with other Universities or Medical Facilities
- Externship/Internship/Co-Op for Students
- Memorandum of Understanding or Memorandum of Agreement
- Study Abroad Contracts
- Athletic Game Contracts
- Construction Contracts
- Design Professional Contract
- Temporary Permit/License
- Standard Contract for Services – Preferred document of most contracts for services or items
- Simple Contract – Amount does not exceed $5,000 plus expenses
- Honorarium/Reimbursement Agreement – Individual is doing something that is not in their normal course of business and amount does not exceed $5,000 plus expenses.
- Contract to Obtain Services from MSU – MSU is providing a service
- Contract to Obtain Services from MSU with another Government Entity – MSU is providing services to another government entity in Mississippi
- Lease or Rental Agreement – MSU is renting space from another party
- Short Term Use Agreement – Another organization is using MSU facilities for an event
- Research Experience Letter – Research experience for undergraduates
- Nondisclosure Agreement
- Other Agreements

Amendments.

A contract can be amended via a Bully Buy amendment request. To initiate the amendment, a Contract Requestor initiates a contract request and selects "amend contract" on the initial screen. Then the Contract Requestor answers the required questions and submits the amendment request.

5. IHL Board Approval

A. Contracts over $2,000,000 and Sale or Purchase of Land.

IHL Board approval is required for all contracts of more than $2,000,000. Contracts for the sale of land regardless of the sales price require IHL Board Approval, and contracts for the purchase of land over $100,000 require IHL Board approval. When submitting a contract requiring IHL Board approval, the department should submit the proposed contract along with the following forms – Contract Cover Sheet and Routing Form, IHL Agenda Item, IHL Contract Attachment Form, and IHL Certificate of Ownership. The Contract and Agenda Item should be submitted in Word format. Contact OCA for current copies of these forms. OCA will review the documents and submit to the President's office for inclusion on the IHL Board agenda. Note that the lead time on obtaining IHL approval is usually about three months or more, so departments are urged to start early.

B. Bookstore, Food Service or Athletic Concessions.

IHL Board approval is required for all bookstore, food service, or athletic concession contracts projected to generate aggregate total revenues of more than $250,000 or if the term of such contract exceeds four years. When submitting a contract requiring IHL Board approval, the department should submit the proposed contract along with the following forms – Contract Cover Sheet and Routing Form, IHL Agenda Item, IHL Contract Attachment Form, and IHL Certificate of Ownership. Contact OCA for current copies of these forms. The Contract and Agenda Item should be submitted in Word format. OCA will review the documents and submit to the President's office for inclusion on the IHL Board agenda. Note that the lead time on obtaining IHL approval is usually about three months or more, so departments are urged to start early.

Easements and Real Estate Leases. All easements and leases of land and office space require approval of the IHL Commissioner (up to $100,000) or the IHL Board (over $100,000). Any department that anticipates entering a new lease or renewing an existing lease should endeavor to complete the request at least three months in advance of the start date. When submitting a Contract Request requiring IHL Board approval, the department should submit the proposed contract along with an IHL Agenda Item (in Word format) and IHL Certificate of Ownership.

C. IHL Required Forms

When submitting a contract requiring IHL Board approval, the department should submit the proposed contract along with the following forms **(please contact OCA for current copies of the forms):**

- **IHL Agenda Item** – The instructions in the Agenda Item Template should be followed so the individual evaluating the request has a complete understanding of MSU’s reasons for requesting the approval; the purpose for the agreement; the methods used to determine the price, size, location, etc. to ensure that pricing is competitive in the market; and all other pertinent information related to the lease. Submit the Agenda Item in Word format.
- **IHL Contract Attachment Form** – This is a checklist to verify the proper clauses are in the contractual agreement.
- **IHL Ownership Certification** – This is a form completed by the vendor indicating the Ownership of the company.
- **Real Estate Forms** – Contracts involving real estate may require additional forms. Please contact OCA for guidance.

6. Contracts and Purchases Related to Information Technology Equipment, Software and Services

All Bully Buy contract requests and purchases of Information Technology equipment, software, and services, in excess of $5,000, will be reviewed by the Chief Information Officer or his/her designee prior to processing by OCA.

7. International Payments

Any payment being made to a non-resident alien or foreign entity requires special attention and handling. Because of the complicated tax laws and regulations for these payments, we strongly request that you review the International Payment Procedures located on the Controller & Treasurer’s website and/or call the Tax Compliance Officer (662-325-1751) well in advance of making a payment request. Having the correct documentation will make the process much easier and faster.