

PROPOSED AMENDMENTS TO THE GENERAL RULES
CONCERNING UNIVERSITY ORGANIZATION AND PROCEDURE

[ARTICLE II, SECTIONS 4, 5 AND 6]

ARTICLE II. BUSINESS ORGANIZATION AND POLICIES

Section 4. Award and Execution of University Contracts

(a) All contracts shall be awarded by the Board of Trustees in accordance with applicable state and federal law and University policies and rules. Contracts involving major changes in or deviations from University policies and rules shall be approved specifically by the Board of Trustees.

(b) All contracts, other than purchase orders, shall be executed at least in duplicate, and the original thereof shall be filed with the secretary of the Board of Trustees and remain in the custody of the secretary. A report shall periodically be made to the Board of Trustees by the comptroller of all contracts executed on behalf of the University, as the Board may require.

(c) Contracts relating to appointments to the staff may be executed by the secretary of the Board of Trustees. Agreements providing for the appointments of resident physicians and dentists may be executed by the chief of staff of the University of Illinois Hospital. Purchase orders issued pursuant to awards made by the Board of Trustees may be executed by the University official in charge of the purchasing activity as designated by the comptroller. Assurances and certifications related to research may be executed by the campus vice chancellor for research or, where there is no vice chancellor for research, the chancellor or their delegates. Unless otherwise ordered by the Board of Trustees in specific cases, other contracts to which the University is a party shall be executed by the comptroller of the University.

(d) The awarding of procurement contracts involving expenditures of University funds are governed by state procurement law.

(e) The Board of Trustees shall specifically authorize procurement contracts (excluding change orders) and leases involving payments by the University in one fiscal year in excess of such dollar amounts as the Board of Trustees may specify from time to time ("the Board limit")

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unless in the president's opinion necessity requires immediate action. The president, after consulting with each member of the executive committee of the Board who can reasonably be contacted, may approve emergency transactions in excess of the Board limit on behalf of the Board of Trustees and report the same promptly to the Board. If the amount of the emergency transaction exceeds such dollar amounts as the Board of Trustees may specify from time to time, the president must consult with all Board members who can reasonably be contacted before approving the emergency action.

(f) The comptroller is authorized to approve on behalf of the Board of Trustees procurements, intergovernmental contracts, leases, and other contracts and contract change orders not expressly requiring prior specific Board authorization and shall report such approvals to the Board as the Board may direct. The requirement for specific Board approval above the Board limit does not apply to, or supersede previous actions of the Board authorizing, the execution of those types and classes of contracts that the Board of Trustees has authorized to be executed without its prior specific approval, such as farm leases; purchases of food products, grain, livestock, fertilizer, and natural gas; procurements of generic commodities on joint bids with other State institutions; group procurement contracts deemed to offer economic benefit to the University that comply with state law; purchases for resale to students and others; procurements of other commodities that the Board may exempt; contracts for cultural and entertainment presentations; subcontracts and subgrants for research, gifts or grants awarded by the Board; contracts involving University Press publications; and any other transactions that the Board may specify.

(g) The seal of the University shall be in the custody of the secretary of the Board of Trustees.

(h) The comptroller and secretary are authorized to delegate to responsible members of the staff of the University authority to execute contracts in the name of the comptroller and the secretary of the Board, as the case may require.

(i) All bids received for a specific item or project may be rejected, without referral to the Board of Trustees in accordance with state law.

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Section 5. Drafting and Approval of University Contracts

(a) Contracts shall be drafted in tentative form by the University administrator best acquainted with the subject matter and in whose department rests, the responsibility for performance and shall be approved by the comptroller or his/her delegate unless otherwise provided by the *Statutes* of the University or by other action of the Board of Trustees.

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(b) Contracts are subject to review and approval as to legal form and validity by the University counsel in accordance with University polices and rules. The policies and rules shall reflect best business practices and shall be subject to modification from time to time as warranted.

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Section 6. Research Gifts, Grants, and Contracts

(a) Sponsored Research Generally. Research conducted under the auspices of the University may be supported in whole or in part with funds provided by third parties. Third-party offers to fund research activities by gift, grant of financial assistance, or contract must be reviewed and approved by the appropriate University administrative offices before formal acceptance by the University president (or his/her delegate) in the case of gifts, and by the University comptroller (or his/her delegate) in the case of grants and contracts. Faculty and staff may conduct preliminary negotiations with prospective research sponsors with the prior knowledge and approval of the department head or other appropriate administrative officer and the dean or director if required by college policy but have no authority to bind the University to a contract. Staff within the relevant University department will direct and conduct the sponsored research. The administrative coordination of research programs shall be under the Agricultural Experiment Station for units in the College of Agricultural, Consumer and Environmental Sciences and under the Office of Vice Chancellor for Research (OVCR) or the Chancellor's Office where there is no OVCR.

(b) Research Results. Contracts for research shall conform to the rules regarding intellectual property as specified in Article III. The sponsor may receive preferential consideration in the disposition of the invention or discovery as provided in Article III, Section 7(p). Unless otherwise permitted by the Board of Trustees, the University shall not permanently grant or convey to a sponsor the exclusive benefits of the results of any investigation or research. The University will retain original records of investigations and research and may furnish reports or copies of such records to the sponsor. The University shall have the exclusive right to publish,

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at its discretion, the results of scientific investigation and research unless provided otherwise in contracts. The sponsor may not use any University trademark, service mark, trade name or other such property without the prior approval of the University president or his/her delegate.

(c) Policy Waivers. If the sponsor conditions its award of funding on the waiver of established University policies, such as reimbursement of indirect costs, rights of publication, or rights to intellectual property generated by the research, the University may accept such conditions if required by law or if a waiver is found to be clearly in the interests of the University and the public. Waivers related to intellectual property rights must be approved by the vice president for Research technology and economic development (or successor title). The determination of all other waivers must be made by either the vice chancellor for research (VCR) or the chancellor if no campus VCR exists, or his/her delegate.

(d) Research Funding Proposals. All sponsored research proposals must be prepared by the staff who will supervise the research and must contain at a minimum a scope of work and budget providing for all direct and indirect cost recovery in accordance with University policy. All research proposals must be reviewed, approved and executed by the appropriate University administrative staff and officials before formal submission as a University offer. Final approval of all proposals is the responsibility of the vice chancellor for research (VCR), or the chancellor where there is no campus VCR, or his/her delegate.

(e) Expenditure of Funds. The expenditure of funds received as indirect cost recovery as cost-of-education allowances, as general-support grants or as any other unrestricted gift or grant must be authorized by the Board of Trustees either as part of the University's annual budgets for operations or for capital improvements, or during the fiscal year as an addition to the annual budget for operations or for capital improvements.

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