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MEMORANDUM

DATE: November 20, 2000
TO: Deans, Directors and Department Heads
FROM: David K. Scott, Chancellor
SUBJ: University of Massachusetts Contract Policy

Increasingly, University faculty and staff are signing contracts and agreements without the proper authorization to sign on behalf of or otherwise bind the University. These "contracts" take the form of licenses, letters or memoranda of agreement or understanding, registrations, software inserts, "zero dollar" contracts, and other legally binding commitments. Further, a number of these "contracts" have failed to resolve basic issues necessary to the proper benefit and protection of the University. These have included exclusivity arrangements, future commitments and future events, adherence to University policy, indemnification, intellectual property rights, issues of governing law, access to University students and employees, and use of "boiler-plate" language required under the law.

Any signed document reflecting commitments by two parties can be construed as a contract even if no money is exchanged and no goods or services are provided. Faculty and staff signing such agreements place the University at risk of protracted litigation, place contractors at risk of unknowingly entering into unenforceable contracts, and place themselves at risk of embarrassment and personal liability for making an obligation outside the scope of their employment.

All members of the University community are therefore directed to refrain from signing any agreement purporting to bind the University unless that member has clear and explicit authority to sign that particular agreement. Faculty and staff should address any questions concerning this matter to their immediate supervisors.

A handwritten signature in black ink that reads 'David K. Scott'. The signature is written in a cursive style with a large, looping 'D' and 'S'.

David K. Scott, Chancellor

DKS:rh

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