Contracts

Process changed July 2015
Background
Contracts for MU Health System (the hospital and Schools of Medicine, Nursing and Health Professions) currently can go through at least eight separate review and signature processes depending on the subject matter and operating unit involved. Health system contracts present unique business and regulatory compliance considerations that need to be managed as part of the contracting process. Contracts with physician-related organizations are subject to particularly strict rules. The relatively large number of contracting processes presents obstacles to effectively tracking and managing those unique issues.
As part of ongoing efforts to monitor and improve effectiveness of our business processes, PricewaterhouseCoopers conducted an audit of MU Health System contracts that was completed on January 10, 2014. Key observations included that the University lacked system-wide processes for identifying, tracking, and monitoring contracts and did not have a single, central repository for retention of final contracts.
Following the audit, a review of health system contracting processes was performed in order to identify opportunities to consolidate and improve the health system contracting process. The group recommended the changes described below, which will result in five approval processes for health system contracts (three less than currently exist) and allow for greater efficiency and more effective controls and oversight. The changes have been approved by key internal stakeholders and University and Health System leadership, including President Tim Wolfe, Vice President Brian Burnett, Chancellor Loftin, Deans Delafontaine, Hagglund, and Miller, and Chief Executive Officer Wasden.
AGREEMENT COVER SHEET

If to be processed by paper: Please print this completed Coversheet, attach two original signed Contracts and Independent Contractor Documentation Form (if needed) and send to: Use option #1 below

NOTE: Leases & Rental agreements must be processed by paper as they require original inked signatures. Please print this completed Coversheet, attach two original signed Contracts with all supporting documentation and send to: Use option #1 below

If to be processed electronically: Please attach this completed Coversheet, the signed Contract and Independent Contractor Documentation Form (if needed) and send by email: Use option #2 below

1) For Non-Grant Funded Contracts - Processing by paper: Medical School Business & Finance Office, MA210 Medical Science Building DC018.00. Electronic Processing: Email to Business & Finance email inbox at umhssombusiness@health.missouri.edu

2) For Grant Funded Contracts: Office of Medical Research DC018.00

Name of Party: ____________________________

Please Specify: ☐ To be processed & returned by paper if other party needs to have original inked signatures
☐ To be processed & returned electronically

Date(s) of Service: ____________________________

Estimated Dollar Amount: ____________________________

Description of Service: ____________________________

If Affiliation - Name of SOM originating dept: ____________________________

Source of Funding: ____________________________

Non-Grant Funds - MoCode: ____________________________ DeptID: ____________________________ Fund: ____________________________

Grant/Contract Funds - MoCode: ____________________________ DeptID: ____________________________ Fund: ____________________________

Approved Agreement to be returned to: ____________________________

Name: ____________________________

Dept: ____________________________
Address: ____________________________
Phone: ____________________________

NOTES: ____________________________

____________________________________

____________________________________

____________________________________

Other Party Information: ____________________________

Contact Name: ____________________________
Phone: ____________________________
eMail: ____________________________
No change in process of contracts:
• Processed by OSPA or
• Medical Student Affiliation Agreements
• Lease Agreements
Revenue Contracts

Send to Business & Finance for processing. Once approved B&F will send to:

Managed Care
• Vince Cooper – will sign
• Deanna Godsey
• Jeff Legg
• Lisa Jones
Revenue Contacts

• Before starting a new agreement, email Marla Lampp for approval.
• Department works with Managed Care and other party to create the agreement. Department sends the agreement to Business & Finance.
• After approved by Dean’s Office and UP, if needed – B&F sends to Managed Care.
• Managed Care will review – they will notify department of issues.
• Once Managed Care reviews they send on to legal.
• Legal reviews and make changes needed, then sends back to Managed Care.
• Managed Care will get other party signature then send completed agreement signed by all parties back to the department and copy B&F.
Expense Agreements – Speaker/Lecture
$5,000 or more

- **Speaker/Lecture Agreements over $5,000**
  - Department completes the speaker agreement and has the other party sign. If the other party is an individual please complete the independent contractor checklist.
  - If the honorarium is over $5,000 send to B&F for approval. Send the cover sheet, the signed speaker agreement and if the speaker is an individual send the independent contractor checklist.
  - B&F will get the necessary approvals then send it back to the department to enter the requisition.
  - The department will enter the requisition in PeopleSoft. The department will attach the following items to the requisition: cover sheet showing Dean’s Office approval, the speaker agreement and the independent contractor checklist, if paying an individual. If the speaker will be reimbursed travel the requisition will have 2 lines – one for estimated travel and one for the honorarium.
  - Procurement will sign the agreement and send the fully executed agreement back to the department and copy B&F. For most speaker agreements procurement will not send the PO to the supplier.
  - To process payment send a copy of the fully executed agreement to AP Shared Services (Accounting). If the speaker will be paid travel expenses itemize the travel expenses on [Form UM11B](#).
Expense Agreements – Speaker/Lecture under $5,000

- **Speaker/Lecture Agreements under $5,000**
  - Department completes in the speaker agreement and has the other party sign. *(Even is if the amount is under $500).* If the other party is an individual complete the independent contractor checklist.
  - Department enters requisition into PeopleSoft. (The speaker/lecture agreements under $5,000 will NOT come to the Dean’s Office for approval.) The department will attach the following to the requisition: speaker agreement and the independent contractor checklist, if paying an individual. If the speaker will be reimbursed travel the requisition will have 2 lines – one for estimated travel and one for the honorarium.
  - Procurement will sign the agreement and send the fully executed agreement back to the department and copy B&F. For most speaker agreements procurement will not sent the PO to the supplier.
  - To process payment send a copy of the fully executed agreement to AP Shared Services (Accounting). If the speaker will be paid travel expenses itemize the travel expenses on Form UM11B.
Consulting Agreements

– Send to Business & Finance, the cover sheet, the consulting agreement signed by the other party. If the other party is an individual please send the completed independent contractor checklist.

– B&F will review and obtain appropriate Dean’s Office Approvals.

– B&F will send back the cover sheet and the documents submitted by email. The cover sheet will show the Dean’s Office approvals.

– The Department will enter the requisition into PeopleSoft. The department will attach the following: a copy of the cover sheet, the agreement and the completed independent if payment is to an individual. If travel or other expenses will be reimbursed, add lines to the requisition for these other expense.

– Procurement will sign the agreement and send it back to the department and copy B&F. A PO will be sent to the supplier.

– To process payment, send a supplier invoice or Exhibit A of the Consulting Agreement to AP Shared Services (Accounting) along with the purchase order number. If the consultant will be paid travel expenses itemize the travel expenses on Form UM11B.

– If three-way match was requested on the requisition, PeopleSoft Receiving function must be completed before payment will be released.
Hotel Agreement or Dining Agreements (under $5,000)

- Send to Business & Finance the cover sheet along with the agreement and an estimated amount that will be paid.
- B&F will review and obtain appropriate Dean’s Office Approvals.
- B&F will send the cover sheet along with the agreement to Procurement for processing.
- Procurement will review, make changes needed and get other party signature.
- The fully executed agreement will be sent back to the department with a copy to B&F.
- Send a UM Pcard Card change form to Janice Janssen – requesting to pay the hotel. B&F will review and process it and send it on for hotel to be opened for this agreement only.
- Payment will made by purchasing card to the hotel.
Hotel Agreement (Over $5,000)

– Send to Business & Finance the cover sheet along with the agreement and an estimated amount that will be paid.
– B&F will review and obtain appropriate Dean’s Office Approvals.
– B&F will send the cover sheet showing the Dean’s office approval along with the agreement back to the department.
– The Department will enter the requisition into PeopleSoft. The department will attach a copy of the cover sheet and the agreement to the requisition.
– Procurement will review, make changes needed and get other party signature. A PO will be sent to the hotel.
– The fully executed agreement and the PO will be sent back to the department with a copy to B&F.
– To process payment, send a supplier invoice to AP Shared Services (Accounting) along with the purchase order number.
– If three-way match was requested on the requisition, PeopleSoft Receiving function must be completed before payment will be released.
Other Expense Agreements

- Send to Business & Finance the cover sheet along with the agreement and an estimated amount that will be paid. If the other party is an individual please send the completed independent contractor checklist.
- B&F will review and obtain appropriate Dean’s Office Approvals.
- B&F will send the cover sheet showing the Dean’s office approval along with the agreement back to the department.
- The Department will enter the requisition into PeopleSoft. The department will attach a copy of the cover sheet and the agreement to the requisition. If the other party is an individual please send the completed independent contractor checklist.
- Procurement will review, make changes needed and get other party signature. A PO will be sent to the supplier.
- The fully executed agreement and the PO will be sent back to the department with a copy to B&F.
- To process payment, send a supplier invoice to AP Shared Services (Accounting) along with the purchase order number.
- If three-way match was requested on the requisition, PeopleSoft Receiving function must be completed before payment will be released.
Health System Contract Processing
Helpful Hints for Department Requestors

Effective July 1, 2015, all expense agreements are to be prepared on a requisition (regardless of dollar amount).

- Exception - contracts under $5,000 (such as hotel agreements). These may be paid via the Purchasing Card after the contract is signed.

Standard Procurement processes must be followed.
- If over $10,000, bidding or sole source justification required.
- If website is being developed or modified, Web Communications approval required.
- If software or database information, DoIT approval required.
- Transportation agreements require insurance verification.

If consultant travel expenses are to be reimbursed, receipts must be provided along with Form UM11B.

If payment is being made to a Non-Resident Alien, payment is to be coordinated with Judy Todd in Payroll. Contract documents must still be processed by UM Supply Chain.
**Transition Period** – if Business Services executed the agreement before July 1, 2015, and it is still in effect, you may process a Non-PO voucher for payment, providing the Contract Number in the Comments section. Once the contract is ready for renewal, it should be processed on a requisition through UM Supply Chain.

**Requisition Processing:**
- Darla Higgins and Leyanna Long in UM System Supply Chain will process these agreements. Requisitions will auto-route to Darla. Attach the completed agreement (and any other documentation) to the requisition. The other party is encouraged to sign first.
- An Independent Contract Checklist is required for Individuals and must be included with requisition.
- If Supplier is not already set up in PeopleSoft, provide the supplier name, address and contact information in the Comments section of the requisition. Supply Chain then work with the Finance Support Center to have the Supplier created in PeopleSoft.
Questions?

Contact:
Janice Janssen
Business & Finance
882-8010