



**Campus Administrative Policy**

**Policy Title: Guidelines for Contracts with Other State of Colorado Agencies, Fiscal Policy 4-15**

Policy Number: 2017                      Functional Area: Finance

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Effective: April 1, 2011  
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Supersedes: Guidelines for Contracts with Other State of Colorado Agencies (May 1, 2009)

Approved by: Vice Chancellor for Research

Prepared by: Director of the Office of Grants and Contracts  
Reviewing Office: Executive Vice Chancellor for Administration and Finance and Chief Financial Officer (CU Anschutz)  
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Responsible Officer: Executive Vice Chancellor for Administration and Finance and Chief Financial Officer (CU Anschutz)

Applies to: CU Anschutz Medical Campus  
CU Denver Campus

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**A. INTRODUCTION**

The purpose of this policy is to provide general guidelines for selected terms and conditions for contracts issued by other State of Colorado (State) agencies to the University of Colorado Denver | Anschutz Medical Campus (“university”).

It shall be the responsibility of the university administrative units that are contracting with other State of Colorado agencies to ensure that State agreements are in compliance with the requirements specified within this policy. The Office of Grants and Contracts (OGC) will also review contracts for compliance prior to final agreement execution.

This policy applies to all university administrative units that receive contract funds from other State of Colorado agencies.

## **B. DEFINITIONS**

1. Commitment Voucher-a document, approved by the State Controller, which includes the following:
  - a. A description of the goods or services being purchased or other reasons for the disbursement of funds;
  - b. The amount to be paid;
  - c. An indication that the obligation of the State is being charged to the appropriate account; and
  - d. A statement that procurement requirements have been fulfilled.

Commitment vouchers include any approved form of purchase order, State contract, travel authorization, advice of employment, grant contract, license agreement, parking license agreement, and other written authorizations for disbursement.

2. Cost reimbursement agreement – the State agency agrees to reimburse the university for the university’s actual costs of fulfilling the scope of work.
3. Fixed price agreement – the State agency agrees to pay the university based upon the provision of a service or deliverable that is quoted by the university at a specific price and no funds are returned to the State agency if the service or deliverable is completed.
4. Fixed rate agreement – the State agency agrees to pay the university based upon the provision of a unit(s) of service that is quoted by the university at a specific rate and no funds are returned to the State agency for the unit of service that is completed.
5. Interagency Agreement- an agreement between two Agencies, two Institutions of Higher Education, or an Agency and Institution of Higher Education, which includes a dispute resolution process given the State Controller final decision-making authority.

## **D. POLICY STATEMENTS**

1. **Contract Guidelines**

All interagency agreements require approval of the State Controller or delegate. State agencies are not permitted to disburse funds unless the disbursement is supported by a commitment voucher. Parties to state contracts should ensure the following:

  - a. Expenditures are authorized and required approvals have been received;
  - b. Expenditures are reasonable and necessary;
  - c. Prices/rates are fair and reasonable;
  - d. Expenditure amounts are within the available encumbered balance
  - e. The contract adequately defines the requirements, performance obligations of the parties, and pricing;
  - f. The terms and conditions represent a commercially reasonable allocation of risks between the parties;
  - g. The contract complies with applicable statutes, executive orders, rules and

- h. policies; and
- h. Funds are encumbered, if a purchase order or contract, as required by State contracting rules.

2. **Contract Language**

Contracts with State agencies under which the university provides services should contain clear terms. OGC will negotiate out terms and conditions which are vague or contrary to University of Colorado policy.

3. **Specific Agreement Payment and Invoicing Terms** (not all-inclusive)

- a. **Budget Categories.** When required in a State contract, budgets should reflect standard cost categories (e.g., salaries, benefits, operating, travel, equipment, Facilities and Administrative costs) and avoid line-item detail. Contract language that allows the university to re-budget monies from one budget category to another without the need for State agency approval is preferred over language that is restrictive, or reflects detailed line-item budget categories.
- b. **Payment.** Payment terms in contracts should be clear. Agreements are generally cost reimbursable, fixed price, or fixed rate. Some contracts may include a combination of more than one payment type. If the contract has multiple payment types, the parties must understand and agree on which portions are cost reimbursement, fixed price, and/or fixed rate. Multiple projects will be set up in PeopleSoft if the contract includes more than one payment type.
- c. **Cost reimbursement.** The State agency agrees to reimburse the university for the university's actual costs of fulfilling the scope of work. The budget is typically based upon a contract budget that states a maximum contract price. Cost reimbursement budgets categories include personnel, travel, supplies, equipment, consultants, subcontract(s), patient care and other expenses.
- d. **Fixed price.** The provision of a service or deliverable is quoted at a specific price. For the service or deliverable provided to the State agency, the university will receive payment in regular intervals up to the fixed price amount at the specified price, regardless of actual cost to the university. No funds are returned to the State agency if the service or deliverable is completed. The university administrative unit will be responsible for covering any costs that exceed funds received from the Agency.
- e. **Fixed rate.** A unit(s) of service is quoted at a specific rate. For each unit of service provided to the State agency, the university will receive payment at the specified rate, regardless of actual cost to the university. No funds are returned to the State agency for the unit of service that is completed. The university administrative unit will be responsible for covering any costs that exceed funds received from the Agency.
- f. **Invoicing.** State agencies generally make payment to the university based upon invoices and/or financial reports submitted to the Agency, regardless of

the contract type (i.e., fixed rate, fixed price, and/or cost reimbursement). Contract terms should be clear about the specific requirements for invoicing and/or financial report required by the State agency. Invoice due dates and/or frequency of invoicing should also be clear.

The time frame for the final invoice should be no less than 60 days from termination of the contract to allow time for all charges to be reflected in PeopleSoft and for invoice preparation (Note: invoices received late by the agency may not be paid). Invoicing the State agency in advance of incurring actual expenditures or in advance of the delivery of goods or services by the university is not allowed.

- g. Guidelines on Invoicing by Contract Type(s). OGC and/or the PI's administrative unit will be responsible for the preparation of invoices based upon the terms outlined in the contract.
  - 1) Cost reimbursement contracts are invoiced by OGC and must be based on information contained in PeopleSoft.
  - 2) Fixed-rate and fixed-price contracts are invoiced by the PI's department.
  - 3) Fixed-price contracts with a specified, regular payment schedule can be invoiced by OGC.
  - 4) Projects that are both fixed rate (or fixed price) and cost reimbursable will have separate projects set up in PeopleSoft for each costing component. The PI's department will prepare the fixed-rate/price invoice component and forward to OGC. OGC will prepare the cost reimbursement component and then combine the departmental information into a complete invoice that is submitted to the State agency.
- h. Invoicing Address: The address for submission of university invoices and instructions for directing State agency payments to the university lockbox should be provided in the contract. The lockbox address is:

University of Colorado Denver  
Grants and Contracts, # (enter proposal routing no. - PI's initials)  
Department 238  
Denver, CO 80291-0238

The State agency's guidelines or instructions on invoicing, if any, should be provided at the time of contract review and approval.

**4. Timeliness on Contract Approvals**

Departments should ensure that fully executed original contract documents are forwarded to OGC by the beginning of the contract performance period.

**5. Questions on Terms and Conditions**

If a department has any questions about these guidelines or is uncertain about the acceptability of other terms and conditions, OGC should be contacted prior to the preparation of contract language.

## Notes

1. Dates of official enactment and amendments:  
May 1, 2009: Adopted by Vice Chancellor for Research  
April 1, 2011: Updated  
February 13, 2019: Formatting Updated
2. History:  
February 13, 2019: Modified to reflect a 2018 Campus-wide effort to recast and revitalize Campus policy sites into a standardized and more coherent set of chaptered policy statements organized around the several operational divisions of the university. Article links, University branding, and formatting updated by the Provost's office.
3. Initial Policy Effective Date: April 1, 2011
4. Cross References/Appendix:
  - State of Colorado Fiscal Rules, Chapter 2, Disbursement
  - State of Colorado Fiscal Rules, Chapter 3, Contracts