

PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION **CONTRACT POLICIES AND GUIDELINES**

Introduction

All contracts entered into by staff of the Presbyterian Mission Agency (“PMA”), the Office of the General Assembly (“OGA”) and the Administrative Services Group (“ASG”) of the Presbyterian Church (U.S.A.), A Corporation (“A Corporation”) are subject to these “Contract Policies and Guidelines” (“Policies”) which have been approved by the Board of the A Corporation. A Corporation staff must comply with these Policies for every purchase of goods or services made through a contract with an individual or company. Work should never begin on a project engaged by a written contract until the contract is signed by all parties.

These Policies apply only to contracts in which the A Corporation is a party. If a staff member is attempting to have the A Corporation, via the PMA, OGA or ASG budgets, pay for a contract in which the A Corporation is not a party, these Policies do not apply. The employee should look to other policies and processes, such as the Grant policy. Employees should not improperly use the web invoicing system to pay for a non-A Corporation contracts.

What is a Contract?

A promise or set of promises constituting an agreement between the parties that gives each party a legal duty to the other and gives each party the right to seek a remedy for the breach of those duties.

Why Do I Need a Contract?

A clear written agreement between the parties lets each party know what to expect and avoids future disputes. Below are fact situations involving past transactions of the A Corporation that were caused due to the lack of appropriate and necessary language in a contract.

- A. A Corporation had to pay for written, copyrighted material when the materials were prepared for the A Corporation (lack of copyright ownership language in the contract).
- B. A hotel attempted to require the A Corporation to honor a contract even though the hotel was flooded and unusable when rooms were contracted for by the A Corporation (no provision for cancellation in the contract).
- C. The A Corporation paid for tapes to be produced, but the contract did not specify what entity would own the master tapes. Thus, the A Corporation had to pay for materials that it requested to be prepared (no clear definition of services being provided or paid for).

Staff should be aware that individuals and corporations are not hesitant to sue a church or denomination. A strong and thorough contract can be an effective defense to a lawsuit in which the duties of the contracting parties is an issue or when breach of contract is an issue.

What Types of Contracts are There and How Do I Use Them?

- A. **Purchase orders.** Typically for goods and services. Examples: purchase orders for office supplies; printing; and office equipment.
- B. **Honorarium letters.** Services rendered by an individual that often do not produce anything quantitative in return (for more information contact Legal Services). Examples: sermons or one-time speeches; lectures; teaching engagements; and musical or other performances.
- C. **Independent Contractor Contracts.** Services rendered by an individual (although they may use a d/b/a name that sounds like a corporation) that usually do produce something substantial in return (For more information contact Legal Services). Typical examples: layout and design; Bible studies; writing; editing; teaching; and marketing.
- D. **Specialized Contracts.** Services by a company, not an individual. (these contracts must be reviewed by Legal Services if over \$25,000). Typical examples: video production; manuscript acquisition; art acquisition; production or consulting services; software acquisition; and child care services.
- E. **Hotel and Conference Contracts.** Typical examples: hotels; exposition services; audio visual services; translation services; conference centers; restaurants/catering/meals; and transportation.

Questions to Ask and Items to Remember When Preparing a Contract Under \$25,000

All A Corporation employees who need to draft a contract and who, according to these Policies are NOT required to submit the contract for review to Legal Services should use the form created by Legal Services as a template for their contract (see link below). It includes appropriate contract language and provisions. You can find that form on CenterNet under Dept. Info, Policies & Forms, click on the Legal Services tab and look for the document "Request the Services of a Company Form." If you need assistance you should contact Legal Services. If a company insists upon the A Corporation accepting its contract with or without revisions, the employee receiving the contract should discuss that contract with Legal Services.

<https://www.presbyterianmission.org/centernet/department-information-policies-forms/legal-services-risk-management/>

When drafting or reviewing a contract under \$25,000.00, employees must review this list and follow these rules:

- A. **All A Corporation contracts must be entered into in the name of the Presbyterian Church (U.S.A.), A Corporation.**

1. Failure to do so could result in an individual signing the contract being held individually liable for the contract's performance.
 2. Corporate structure implemented to ensure the protection of the A Corporation's assets.
- B.** Terms must be clear (start date, end date, are dates firm, is the contract renewable).
- C.** Parties must be clearly defined (full name (corporate or individual), address, telephone (when appropriate)).
- D.** Clearly state the services or work to be provided (i.e., What is to be accomplished or prepared? What will the A Corporation receive in return for fees paid?)
- E.** Clearly indicate the cost of service or work that will be included (i.e., What is the total fee? Is this a purchase? Are payments tied with completion schedule? Are payments to be made in installments?).
- F.** Clearly state the ownership of any copyrightable material must be included.
- G.** If expenses are to be paid, specify what are covered expenses (i.e., travel or copying), the maximum amount to be paid for each expense, and the budget number(s) to be charged.
- H.** Get the other party's taxpayer identification number via the other party's completion of the correct Internal Revenue Service information form. (For individuals this will likely be a social security number. For a company or corporation, it will be an employer identification number.)
- I.** Include an indemnification provision; a sample is included in paragraph F of the contract form on CenterNet (see link above).
- J.** Clearly state that the company you are contracting with is an independent contractor and not an employee of the A Corporation.
- K.** If the contract requires the other party to access or by contract the other party asks for access to the A Corporation's computer systems and back-up systems, including hardware, software, information, personally identifiable information, and data housed on those systems, **the employee must review the contract with IT and Legal Services.**
- L.** Satisfy the requirements of the Supplier Diversity Policy. For further information and assistance with that policy, contact the Purchasing Office.
- M.** If the contract is with a hotel, it must include language to comply with the action of the 221st General Assembly (2014):

A Resolution to Support Hotel & Hospitality Workers through the Adoption of Just Policies in the Presbyterian Church (U.S.A.)

1. Direct the Presbyterian Mission Agency and Office of General Assembly to include protective language in every hotel contract so that if there is a labor dispute at the contracted hotel, the Presbyterian Church (U.S.A.) can pull out of the contract without penalty.
2. Direct the Presbyterian Mission Agency and Office of General Assembly to adopt a policy that gives preference to hotels where workers' rights are protected either by organization, or through the fair practices of their employers, and commits to honoring and upholding boycotts that are directly related to workers' wages and working conditions

If you need this language you can find it at this link (or contact the OGA Manager, Meeting Services):

http://oga.pcusa.org/site_media/media/uploads/oga/pdf/joint_session_-_attach_3_-_hotel_workers_policy.pdf

Which Contracts Must be Reviewed by Legal Services?

Contracts That Must be Reviewed by Legal Services

- A. Contracts with a company (as opposed to an independent contract with a person) calling for total payments of more than \$25,000 must be reviewed by Legal Services before they are signed by a representative of the A Corporation.

NOTE: this includes contracts which require a deposit or multiple payments of less than \$25,000. The requirement is that the TOTAL PAYMENTS under a contract exceed \$25,000, in which case the contract should be reviewed by Legal Services.

You should forward specialized contracts to the Staff Attorney in Legal Services, who is currently Andrej Ajanovic. For forms and information go to this link on CenterNet:

<https://www.presbyterianmission.org/centernet/departments/information-policies-forms/legal-services-risk-management/>

(In CenterNet click the tabs for Dept. Info, Policies & Forms, click on Legal Services and see Request for Services of a Company Form)

NO COMPANY SHOULD BEGIN WORK ON A CONTRACT UNTIL IT IS SIGNED BY BOTH PARTIES.

- B. All independent contractor contracts (with an individual) must be reviewed by Legal Services. Staff should submit applications for independent contracts to Andrej Ajanovic in Legal Services. Go to this link in CenterNet:

<https://www.presbyterianmission.org/centernet/department-information-policies-forms/legal-services-risk-management/>

(In CenterNet click the tabs for Dept. Info, Policies & Forms, click on Legal Services and see Independent Contractor Information)

After you submit the application, a draft contract will be prepared and sent to you to complete and have signed before you return it to Legal Services to be signed. **NO INDEPENDENT CONTRACTOR SHOULD BEGIN WORK UNTIL AN INDEPENDENT CONTRACT IS SIGNED BY BOTH PARTIES.**

NOTE: Hotel and Conference Center Contracts

Hotel and conference center contracts calling for total payments that exceed \$25,000 should be forwarded for review by the Manager, Meetings Services, who is currently Deb Davies, in the Office of the General Assembly, rather than Legal Services, before they are signed by a representative of the A Corporation. This should be done well before deadlines to pay deposits or full fees to hotels and well in advance of deadlines to sign hotel contracts. Deb Davies does not “approve” such contracts; she reviews them to make sure they are consistent with policies of the General Assembly and best practices of the organization. However, this is a required step in the contract process.

Contracts that Do Not Need to be Reviewed by Legal Services:

Specialized contracts and hotel and conference center contracts calling for payment of \$25,000 or less need not be submitted to Legal Services or to Deb Davies for review, approval, or retention.

Contracts from Information Technology for information technology services need not be submitted to Legal Services for review, approval, or retention.

Who Must Sign/Execute An A Corporation Contract?

- A. For A Corporation contracts calling for the payment of **ten thousand dollars (\$10,000.00)** or less, the individuals holding the following positions have been authorized to sign/execute contracts.

Controller-OGA

Director of Communications

Manager, Administration

Manager, Ecumenical Education

Manager, GA Business

Manager, General Assembly Nominating Committee

Manager, Judicial Process and Social Witness

Manager, Leadership Development and CLC

Manager, Equity and Representation

Manager, Korean Speaking Councils Support
Manager, Office of Immigration Issues
Manager, Office of Immigration Advocacy
Manager, OGA Publications and PHS Records Support
Manager, Denominational Rolls and Statistics
Manager, OGA Design and Multimedia
Manager, OGA Technologies
Manager, Preparation for Ministry/Exams
Manager, Ruling Elder Resources and Education Certification
Associate Director of Constitutional Interpretation
Associate Director of Mid Council Relations

- B.** For A Corporation contracts calling for the payment of **twenty-five thousand dollars (\$25,000.00)** or less, the individuals holding the following positions have been authorized to sign/execute contracts:

Administrative Project Manager, Communications and Mission Engagement & Support
Associate for Board Meeting Support and General Assembly Coordination
Associate, Mission Program Administration
Associate Mission Director for World Mission
Associate Mission Director, Compassion, Peace & Justice
Associate Mission Director, Racial Ethnic & Women's Ministries
Associate Mission Director, Theology, Formation & Evangelism
Co-director, Stony Point Center
Coordinator, Research Services
Director, Communication Services
Assistant Director, IT
Director, Mission Communications
Manager, Finance, Theology, Formation & Evangelism
Manager, Special Offerings
Mission Associate for Mission Program Grants/Racial Ethnic Schools and Colleges
Mission Coordinator, Theology, Formation & Evangelism
Mission Director, Compassion, Peace & Justice
Mission Director, Racial Ethnic & Women's Ministries
Mission Director, Theology, Formation & Evangelism
Mission Director, World Mission
Coordinator, Research Services

In addition, you should check with your program area/office director to determine your work area's procedures for obtaining signatures. (i.e., whether to send contracts to designees for signature regularly or only when the director is unavailable).

- C.** For A Corporation contracts that total more than **twenty-five thousand dollars (\$25,000.00)**, the signature of a corporate officer or any of the authorized positions noted below are authorized to sign.

Director of Ecumenical Relations
Executive Director, Presbyterian Historical Society
Director of Administration
Director of Assembly Operations
Director of Communications
Director, Mid Council Ministries
Manager, Meeting Services

Vacant, Executive Vice President/CFO/ Treasurer
Ruth Gardner, Vice President
Denise Hampton, Vice-President and Controller
Toni Carver-Smith, Assistant Treasurer
Diane Givens Moffett, Assistant Vice President
J. Herbert Nelson, Assistant Vice President
Barry Creech, Assistant Vice President
Kerry Rice, Assistant Vice President

Kathy Francis, Senior Director of Communications
Rosemary Mitchell, Senior Director of Mission Engagement & Support

Note: Because of Diane Givens Moffett's travel and office schedule, for PMA contracts, contact one of the other corporate officers or the authorized signors for contract signing above \$25,000.00.

- D. The individual signing the contract to bind the Presbyterian Church (U.S.A.), A Corporation should list his or her title below their signature line.
- E. For contracts with internal signature lines (independent contractor, specialized, and hotel and conference center contracts), the person requesting the services or materials should sign the "Requested By" line. The "Approved By" line, if there is one, should be signed by one of the individuals listed in paragraph A, B or C above. Legal Services will sign the line approving the legal format of the document.

What If I Have A Contract and Need to Change Some of Its Terms?

- A. An addendum to the original contract is needed. See the form Addendum on CenterNet. For contracts that must be reviewed by Legal Services, contact Legal Services for assistance in drafting an addendum.
- B. Addendum should be signed/executed in the same manner as the contract to which it pertains.

Resource Contacts

Purchase orders: Monique Robinson extension 5629

Minority vendor policy and Project Equality information: Monique Robinson extension 5629

Honorarium letter or independent contractor forms: Andrej Ajanovic extension 5043

Submission of completed independent contractor forms: Andrej Ajanovic extension 5043, room 5628

Questions regarding contracts other than purchase orders: Andrej Ajanovic extension 5043

Review of contracts other than purchase orders: Andrej Ajanovic extension 5043

Payment issues: Thomas Abraham extension 5577

Tax forms: Thomas Abraham extension 5577

Regular or term employment issues: Ruth Gardner extension 5237

Credit Applications: Terri Milburn extension 5578

Amendments Approved by Presbyterian Church (U.S.A.), A Corporation
March 29, 2019