

DEFINITIONS

Contract Coversheet – For authorization and accounting purposes, all internal contracts begin with the signed contract coversheet. This document contains all information required to understand the nature of the agreement, the terms, and related financial information that are needed in order to draft any additional documentation as determined by the Legal Department. A contract coversheet must be prepared and submitted to the Contract Coordinator for all new contracts and all contract amendments, terminations and/or renewals.

Contract Inception - Contractual agreements begin with an agreement between two parties where one party provides goods or services to the other. The key information and terms are documented using the contract coversheet.

Contract Log – A log of all contracts both executed and pending that involve UNCMC. This log serves as a reference to all parties to ensure there is awareness of the contract and that it is ultimately processed.

Current Contracts – Current contracts have an executed contract or signed contract coversheet with a contractual term that includes the current fiscal year or reporting period.

Pending Contracts – Any contract without a signed contract coversheet or fully executed contract. No expense, revenue, billing or payment will be initiated by Accounting without an executed contract coversheet or fully executed contract.

Inactive Contracts - Contracts with a signed contract coversheet for the current period where services are not being provided. This may occur due to a vacancy in a particular role, lack of resources such as space or other unforeseen events.

Internal Contract - A written agreement between applicable UNCMC parties typically involving, but not limited to, the provision of goods or services from one party to the other party in exchange for monetary compensation. The contract cover sheet or a fully executed contract is required to document the existence of an agreement and to enforce it.

Roles in the Contract Process - The key to an efficient process flow from contract inception to termination is dependent on several roles including the responsible Vice President, Business Owner/Designated Approver, Responsible Party, Operational Finance Representative, Contract Accountant, and Legal Counsel. Each role carries with it specific responsibilities.

Responsible Vice President (VP) – The VP responsible for oversight of the UNCHCS cost center involved in the agreement whose signature is required prior to execution of the agreement.

Business Owner / Designated Approver – This role may be filled by one individual, but in some situations, this may be two different individuals. The Business Owner is the individual requesting the agreement, completing the intake form and initiating amendments, renewals, terminations etc. Designated Approver is the individual with enough knowledge of the operations and fulfillment of the agreement to know if the accounting information is correct. The Designated Approver's documented approval is required in order for reimbursements to be processed.

Responsible Party – The individual responsible for submitting reimbursement and billing requests to the UNCMC Contract Accountant with the necessary approvals and documentation based on the signed contract coversheet outlining the contract terms. This individual is the point of contact responsible for resolving any contract disputes preventing contract activity from being processed i.e. payment processing, invoice preparation etc. This position is also responsible for providing all necessary detail required by the (1) approver (Business Owner or Designated Approver) to approve payment and (2) the Contracts Accountant to account for the contract i.e. detail by cost center. They are also responsible for tracking activity recorded outside of the UNC Health Infor / Lawson accounting system such as Infoporte.

Legal Counsel – The UNC Health legal team drafts all contracts detailing the specific terms of the agreement.

Contracts Coordinator – The member of the legal staff responsible for managing contract flow and the contract process. This position is also responsible for maintaining the master log of executed and pending contracts.

Operational Finance Representative – The Front End Finance representative is responsible for all aspects of the budget. All budget related questions are directed to the respective entity's Operational Finance Representative.

Contracts Accountant – Responsible for recording all financial activity in order to provide the most accurate representation of UNCMC contract activity in accordance with Generally Accepted Accounting Principles. The Contract Accountant's two main goals are (1) recording the activity correctly according to GAAP and (2) maintaining audit compliant records. Note that accurate recording of the financial activity is independent of where the budget for contract activity is located. The Contract Accountant prepares analysis and reconciliations using Infor / Lawson financial data

prior to and following the close of each month to be sure the cost centers, accounts, and transaction amounts are accurate.

ROLES AND RESPONSIBILITIES

Q: Who is responsible for completing the Coversheet?

A: The department requesting the contract for goods or services is responsible for completing the Contract Coversheet.

Q: Who do I contact if I discover a mistake in a contract's language or terms?

A: Contact the attorney assigned to your contract if you discover a mistake requiring correction. You may be asked to provide a new cover sheet to request an amendment to the contract.

Q: Who do I contact if I have a question about Cost Centers?

A: Your Finance contact can help you determine the correct cost center(s) for your contract.

Q: Who do I contact if I have a question about chartfields?

A: Your School of Medicine contact can help you identify the correct chartfield string for your contract.

Q: Who is the Business Analyst/Individual to be copied on the route?

A: The Business Analyst is typically the same as your area's finance analyst.

Q: Who is the UNCH Invoice Approver?

A: The approver for UNCH is typically a Director or Vice President. Additional approvers may be added, as needed.

Q: Will I be required to provide payroll information over the course of the contract term for variable contracts?

A: Yes, if your contract terms include labor expenses, you will be required to submit payroll information. [insert reference]

Q: Who can approve a Coversheet?

A: UNC SOM: ACAs can authorize and amend, with secondary approval by FP CFO or designee at \$500,000 and above. UNCH: Operational VP can authorize and amend, with secondary approval by CFO or designee at \$500,000 and above.

Q: Who are the secondary approvers? Are these the names of the Additional Approver? (See section under Required Approvers)

A: Secondary approvers could include a Director or Associate Vice President for the Hospital. The Associate Chair of Administration is typically the approver for the School of Medicine.

Q: Who in Finance is required to sign-off on Contract Coversheets prior to approval to ensure correct coding?

A: UNCH Operational Finance or UNC Faculty Practice Finance Manager will sign off on Contract Coversheets prior to approval to ensure correct coding.

Where can I find additional resources?

You can reach out to your area's Senior Financial Analyst (Hospital), Hospital Associate (SOM) or Legal for more guidance regarding contracts.

GENERAL CONTRACT QUESTIONS

Q: When are Coversheets due?

A: Coversheets need to be reviewed and submitted annually, usually in the month of February.

Q: How is a Coversheet converted to a contract?

A: Coversheets are reviewed by Legal. Based on this information, a contract is created or revised and then completed for the specified time period.

Q: What kinds of arrangements require a coversheet/contract? How do we know if an existing contract exists?

A: A written and approved document is required whenever work is to be performed or goods provided by one of the UNCMC entities for the other. A completed and fully approved Contract Coversheet is required to be in place, at a minimum, prior to providing ANY goods or services.

Q: Will all other contracts still go through the "Contract Request Form"?

A: This policy/process is for contracts between SOM and UNCH/UNC HCS. For other SOM contracts, continue to follow processes established through OPSCA.

Q: Do we need to submit cover sheets for on-going contracts that need an annual renewal for FY21?

A: If a contract expired at the end of FY20, a new completed coversheet will be required for FY21. Over the next few weeks, the contract management team will be sending an updated list of contracts to each department. Contracts that require a new coversheet will be noted on those lists.

Q: Are payments for existing contracts going to continue to happen "automatically" or do we now need to invoice for payment every month?

A: Medical Director, Service Leader, ACOMO, and Physician Champion payments will continue to happen automatically, without any invoices. All other contracts will require invoices for payment.

Q: Where is the Contract Log? How do I access it?


A: Legal maintains the contract log and can answer questions or provide information regarding the contents of your current or historical contracts.

Q: Under what circumstances can a contract be auto renewed?

A: Special permission is required for contracts to auto-renew. Please ask your area executive if this applies to your intended contract. Transplant contracts are usually set to auto-renew.

NAVIGATING THE CONTRACT COVERSHEET



CONTRACT TERM COVER SHEET			
Note: It is the joint responsibility of both parties to provide information to complete the form. The party receiving and paying for the services is ultimately responsible for ensuring completion of the contract request, including properly submitting the request.			
Submission Date	Basic Information for Contract Request		
Request Type <input type="checkbox"/> New  <input type="checkbox"/> Amendment <input type="checkbox"/> Renewal Revised Terms <input type="checkbox"/> Renewal Same Terms <input type="checkbox"/> Termination	(Eff. date of Termination)		
Contract # <small>New Contractual Arrangement: Yes</small> Effective Date	<input type="checkbox"/> UNCH Receivable/University Payable <input type="checkbox"/> UNCH Payable/University Receivable <input type="checkbox"/> Both Receivable and Payable		
Description of Contract			
Note: Only complete the Exhibit associated with the contract type selected.			
CONTRACT TYPE			
<input type="checkbox"/> Physician or APP Clinical Services (complete Exhibit A)	<input type="checkbox"/> Services by Staff – Non MD/App (complete Exhibit C)	<input type="checkbox"/> Medical Director/Service Lead/ACMO Physician Champion (complete Exhibit E)	<input type="checkbox"/> Other (complete Exhibit G)
<input type="checkbox"/> Admin Services Physicians (complete Exhibit B)	<input type="checkbox"/> Program Support (complete Exhibit D)	<input type="checkbox"/> Pre-Transplant (complete Exhibit F)	
Renewal Term:	<input type="checkbox"/> Written Renewal <input type="checkbox"/> Will Not Renew <input type="checkbox"/> Auto Renew (limited circumstances)		

Q: How do I find the contract number for an existing contract?

A: The contract number will be provided by Legal. Existing contracts have the contract number in the header of the contract.

Q: Where do I find the RASR ID#?

A: The RASR number is provided by the University (FP). This number can be provided by your University contact.

Q: Does the term have to start at the beginning of the Fiscal Year?

A: Contract terms may start at different times during the year, depending on business circumstances. Consult your operational leader for guidance if you need to initiate a contract at a time other than the start of the fiscal year.

Q: What does OPSCA stand for?

A: Office of Professional Service Contracts & Affiliations. OPSCA maintains contracts for the School of Medicine.

Q: What does the Activity Code and Category mean in the Information Required for Accounting section? (ISD)

A: This only applies to ISD-related contracts submitted to Accounting.

MANAGING CONTRACT CHANGES

Q: Is there a process we can implement regarding managing salary increases annually? For those non fixed dollar amounts that have always been a bit difficult to manage.

A: The contracts are written as a percentage of salary, so salary increases are automatically included. For certain increases (such as a promotion from assistant to associate professor) it is recommended that the employing party inform the paying party in advance to ensure the other party wishes to continue the arrangement. But “normal” salary increases are automatically included, unless the parties have agreed to a “not to exceed” amount.

Q: Which kinds of contract changes require a coversheet submission? (e.g., changing the name of a Medical Director does not require a new coversheet)

A: A contract coversheet must be prepared and submitted to the contract coordinator for all new contracts and all contract amendments, terminations and/or renewals.

Q: How to handle off-cycle requests? Who can initiate an off-cycle request? Is there a form to fill out or another process to follow to make an off-cycle request?

A: Anyone can complete an off-cycle request. It would follow the same process used for requests during the budget cycle. Contracting parties should be aware they would be putting forward an unbudgeted expense.

CONTRACT PAYMENTS

Q: How do I monitor payment flows?

A: You can contact the contract accountant for questions regarding payment flows. This contact is unchcscontractaccount@unchealth.unc.edu.

Q: How do I escalate a payment concern, e.g. non-payment or over-payment?

A: The contract accountant can help you investigate a payment concern. This contact is unchcscontractaccount@unchealth.unc.edu.

Q: Did we standardize whether we would be invoicing monthly or quarterly? Or our discretion?

A: The coversheet and contract will specify how frequently to invoice. If the parties do not specify otherwise, the default invoicing frequency is quarterly. Quarterly invoicing is the preference.