

**POLICIES ON THE LEGAL REVIEW AND APPROVAL OF CONTRACTS**  
**De La Salle University**

**1. Introduction**

These policies mandate the legal review requirements for De La Salle University Contracts. It is in the University's best interest for all contracts to undergo thorough legal review to protect the University from legal liability and to obtain optimal legal terms and conditions. These policies ensure that all legal commitments of the University are properly reviewed and approved.

These policies provide the procedure in the legal review process, and identify the individuals who are authorized to sign on behalf of the University.

**2. Definition of Terms**

- 2.1 "Contract" means any written agreement or understanding between the University and a third-party that creates an obligation for the university, whether legally binding or not, to do or perform something. It shall include memorandum of understanding, letter of intent, license, terms of reference, amendments or modifications to existing contracts and other similar documents. Oral agreements are not authorized and shall not be binding upon the University.
- 2.2 "*Deciding Authority*" means the person with authority to resolve matters pertaining to any Contract. The University Chancellor shall be the deciding authority in the University for purposes of these policies.
- 2.3 "Signatory" means the person with the authority to sign contracts on behalf of the University.
- 2.4 "Requesting Party" means the person, unit or office requesting for the legal review of a contract.
- 2.5 "Reviewing Authority" means the Office of the University Legal Counsel (OULC) and the DLSU Intellectual Property Office (DIPO).
- 2.6 "University" means De La Salle University, Manila.

**3. Coverage of these Policies**

- 3.1 These policies apply to all employees, faculty, administrators, consultants, students and all other persons who enter into contracts on behalf of the University.

#### **4. Authority to Conduct Legal Review of Contracts**

- 4.1 The Office of the University Legal Counsel (OULC) and the Office of the DLSU Intellectual Property Office (DIPO) shall have the authority to conduct a legal review of contracts of the University, with DIPO focused on the review of the intellectual property related provisions of the contracts. This authority cannot be delegated except with the written approval of the University President. The OULC and DIPO Office cannot be compelled to review or provide legal advice to contracts where the University is not a party.
- 4.2 No person is authorized to sign any contract on behalf of the University unless the contract has been reviewed and cleared in accordance with these policies. Contracts signed without complying with these policies do not bind the university and shall result in the personal liability of the person signing the contract and subject him/her to disciplinary action.
- 4.3 The legal review of contracts under these policies shall be in addition to other internal review or approval processes required under existing University policies.

#### **5. Contracts Requiring Legal Review**

5.1 All contracts, regardless of value, are required to undergo legal review and clearance from the Reviewing Authority. The following are examples of contracts requiring legal review and approval:

- a) Memorandum of Agreement
- b) Memorandum of Understanding
- c) Sponsorship Agreement
- d) Commissioned Research Agreement
- e) Contracts for acquiring or disposing of the University's property
- f) Non-disclosure or confidentiality agreement
- g) Material transfer agreement
- h) Licensing agreement
- i) Employee and labor contracts or agreement
- j) Student agreement
- k) Consulting or independent contractor agreement
- l) Donation
- m) Research grant
- n) Service or commissioned-work agreement
- o) Lease or rental agreement
- p) Construction agreement
- q) Contracts involving the University's intellectual property rights
- r) Purchase of goods or services
- s) Other similar contracts or agreements.

5.2 "To ensure that all purchase contracts follow the procurement and/or bidding process, Office of the University Legal Counsel will only accept purchase contracts from the Procurement Office, unless the contract was previously exempted from the procurement and/or bidding process"

5.3 There is no exemption in the legal review process. The Reviewing Authority may create an "express review" for: (1) Contracts or templates prepared by the OULC; and (2) Contracts or templates that contain substantially the same terms and conditions which have been previously approved by the OULC. All other contracts shall be processed under regular review.

5.4 The scope of the legal review shall be limited to the interpretation of all legal issues pertaining to the contract. The legal review shall not cover business, social, political, financial or other non-legal aspects of the contract.

## **6. Legal Review Process**

### **6.1 Initial Review of the Requesting Party**

6.1.1 The requesting party submitting a contract for legal review shall accomplish an initial review form (IRF, OULC Form 1) using the template provided by the OULC. The IRF shall require the following information from the requesting party: (1) Name of the requesting party; (2) The parties to the contract; (3) A short summary of the agreement; and (4) the advantages and disadvantages (if any) in entering into the agreement. The requesting party shall indicate in the IRF whether the contract falls under the "express review" referred to in section 5.2.

6.1.2 For student faculty exchange agreements and research collaboration agreements, the requesting party shall also accomplish the ERIO form (OULC Form 2)

### **6.2 Submission for Legal Review or Drafting:**

6.2.1 The requesting party must submit two hard copies of the contract with the required IRF in accordance with section 6.1. Submission of requests for review by e-mail or other digital means shall not be entertained.

6.2.2 Upon receipt of the contract, the DIPO and the OULC shall conduct their respective legal review of the contract. The DIPO and the OULC shall release the initial results of their legal review within seven working days from the date of receipt of the contract. The legal review process cannot be rushed due to time constraints.

### 6.3 Review Process by the University Legal Counsel and the Director of the DLSU Intellectual Property Office<sup>1</sup>

6.3.1 The review process starts with the submission of the contract and IRF to the DIPO. Upon receipt of the contract, the DIPO shall stamp the document "Received" and place the date of receipt. A document tracking number will

be assigned to the contract with the first four numbers indicating the calendar year when the contract was received followed by a chronological numbering of the contract.

6.3.2 The Director of the DIPO shall write his comments, suggestions and recommendations, if any, on a comment sheet which shall be attached to the contract. After review of the DIPO, the document shall be forwarded to the OULC for legal review. The University Legal Counsel shall follow the same procedure above in the review of contracts.

6.3.3 The comment sheet and the contract will be returned to the requesting party upon approval of the Reviewing Authority for printing of the final draft of the contract. In case the approval is not made on the initial review, the Director of the DIPO and University Legal Counsel shall respectively write the results of their initial review on a comment sheet. The comment sheet shall be sent to the requesting party, who shall then notify the other contracting party (third party) of the results of the legal review for their comment. This process of review shall continue until both the University and the other contracting party agrees on a final draft of the contract.

6.3.4 Upon clearance of the OULC to print the final draft of the contract, the requesting party shall accomplish the final review form (FRF, OULC Form 3) using the template provided by the OULC. The requesting party shall then submit the final draft of the contract to the OULC, which shall forward the contract to the signatory.

6.3.5 The contract shall only be considered approved upon the clearance of the reviewing authority. To avoid confusion, the approval shall be expressed by stamping the words "Approved", "Cleared" or "OK".

6.3.6 The requesting party or the proponent of the contract shall act as a witness to the contract.

### 6.4 Deadlock in the Negotiation of the contract

In case there are issues in the contract that results in a deadlock or impasse, the University Legal Counsel shall refer the issue to the Deciding Authority who shall resolve the matter.

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<sup>1</sup> See Legal Review Process Flowchart.

## 6.5 Approval of the Reviewing Authority

When the contract has no legal issue or upon resolution of all the legal issues, the Office of the University Legal Counsel and the Director of the DIPO shall indicate their respective approvals on the contract.

## 6.6 Contract Execution and Filing

6.6.1 The signatory shall sign the contract after receiving the written approval of the Reviewing Authority. When the contract has been completed (final draft was signed by all the parties, and duly notarized when required), an original copy of the contract with all its annexes shall be forwarded to the OULC within seven calendar days after said completion.

6.6.2 The OULC shall be the official repository of all contracts of the University. The legal review process under these policies is deemed completed only upon submission of the signed and notarized (if required) contract with the OULC.

## 7. **Signature Authority**

### 7.1 Signatories

Only authorized persons can sign on behalf of the University. All institutional contracts<sup>2</sup> must be signed by the University President, which he may delegate in writing to the University Chancellor. Contracts that involve only a particular unit of the university (office, department, or college) shall be signed by at least the Vice-Chancellor or Vice-President of the University to which the unit or office belongs. In case of doubt, a contract shall be treated as an institutional contract.

7.2 The signatory shall sign only after the legal review and approval of the Reviewing Authority.

## 8. **Conflicts of Interest**

All University employees, faculty, administrators and students must report any contract that presents conflicts of interest in accordance with the University Policy on Conflicts of Interest. In case of conflict of interest, the concerned party must report the matter to his/her immediate superior before entering into any contract negotiation or contract review. Questions regarding the interpretation of the University's conflict of interest policy may be referred to the University Chancellor for his appropriate action.

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<sup>2</sup> Institutional contracts are those that affect the interest of the entire university.

**9. Penalties**

Any person found to have violated any of the provisions of these policies, which shall be considered a major violation or offense, shall be dealt with in accordance with the provisions of the faculty, student, staff, administrative or applicable employment manual/handbook.

**10. Repealing Clause**

All other University policies inconsistent with these policies are repealed or amended accordingly.

**11. Effectivity Clause**

These Policies shall take on November 15, 2015.