

Chapter:	Human Resource Management		
Title:	Contract Management		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/>	Review Cycle: Triennial Author: HR Spec. & DO	Adopted Date: 11.2023 Review Date: 11.2023	Related Policies: Procurement Delegation to the Chief Executive Officer and Executive Limitations

Purpose:

Hopeful Horizons (HH) has established this policy to assure effective practices are in place to manage the compliance and risk associated with contracts and other legal agreements the organization enters.

Scope:

This policy applies to:

- All HH Staff
- Selected HH Staff, as specified: Staff responsible to execute and manage of contracts
- HH Board Members
- HH Volunteers
- Other: Independent and Organizational Contractors

Policy:

To assure compliance with legal and regulatory requirements and to manage associated risks, HH staff shall execute and administer contracts consistent with the requirements established in this policy and its related procedures.

- A. **Authority and Authorization:** The Chief Executive Officer (CEO)/designee has the sole authority to authorize and execute individual, organizational contracts and service agreements in accordance with the [Delegation to the Chief Executive Officer and Executive Limitations](#) policy. Should a contract exceed approved budget parameters set by the Board of Directors, additional Board approval shall be required.

A contract with HH does not imply an employment relationship and is not subject to any rights or privileges of employment.

When indicated, and before executing a contract, HH shall comply with approved procurement requirements as defined by the approved policy and/or as stipulated in grant contracts or when required by law.

- B. **Contract Format and Content:** All **written** contracts shall use a standard contract format that defines:
1. Contract term
 2. Defined scope-of-work
 3. Terms and conditions
 4. Performance expectations, and deliverables with specific timeframes including service quality, client satisfaction and service/treatment outcomes for direct service/treatment providers
 5. The qualifications, credentials and specific competencies required of the contractor
 6. Protocols for routine communication of relevant information and reports of progress

7. Requirements for client privacy and confidentiality, maintaining client records, documentation of services, and organization access to client records
8. Requirements for other administrative documentation
9. Contract termination conditions and requirements
10. Other HH policies, procedures, requirements or conditions related to the proper execution of the contract and related scope of work

At the discretion of the CEO/designee, legal review may be obtained for any contract (whole or part).

- C. **Credentialing and Background Checks**: HH shall implement consistent procedures to assure initial and periodic review of contractor credentials and competency. The review shall include primary source verification of educations and licensure where appropriate. References shall be checked for all contractors and criminal background checks shall be conducted for direct service/treatment and clinical supervision contractors.
- D. **Professional/Personal Liability Insurance and Bonding**: HH shall implement consistent procedures to assure initial and periodic review of contractor liability insurance and bonding as appropriate.
- E. **Contract Monitoring**: The Director of Operations, unless otherwise designated, has general responsibility for monitoring contracts and shall assure periodic review of contractor compliance and performance consistent with approved procedures.
- F. **Contract Record Management**: HH shall administer contractor files in a consistent format and with required content as specified by approved procedures.
- G. **Contract Termination**: Contract termination for cause shall be supported by performance related evidence and information and requires the approval of the CEO/designee. At the discretion of the CEO/designee, a plan to terminate a contract for cause may require review of legal counsel.

Communication and Training:

The Board shall receive a copy of the policy at the time of periodic review and will have an opportunity to ask clarifying questions during the approval process. Employees and volunteers shall receive notice of the Board's policy review and approval including notice of any substantive changes. The notice will provide a link to the policy located on the HH website.

Staff responsible for contract management activities shall receive initial orientation to this policy and its related procedures.

Definitions:

1. **Contract**: A contract is a binding commitment by or on behalf of the organization that is in oral or written form, regardless of the title of the operative document or documents. For purposes of this policy, the term "contract" includes but is not limited to contracts, agreements, leases, memoranda of understanding ("MOU"), gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent.

2. **Contract Management:** The process of creating, negotiating, approving, executing, and implementing and monitoring a contract. This includes ensuring that deliverables, deadlines and contract terms and conditions are met; addressing related problems; incorporating changes or modifications to the contract; and ensuring both parties meet their obligations under the terms of the agreement.

3. **Independent Contractor:** A self-employed person contracted to perform work for—or provide services to—another entity as a non-employee. As a result, independent contractors must pay their own Social Security and Medicare taxes.

Other Related Materials:

Contract Management Procedure
 Credentialing and Background Check Procedure

References/Legal Authority:

[Independent Contractors HR 7, Council on Accreditation, 2023.](#)

[Independent Contractor or Employee, Internal Revenue Service, 2023.](#)

[Misclassification of Employees and Independent Contractors, US Dept. of Labor, 2021.](#)

Change Log:

Date of Change	Description of Change	Responsible Party
11.2023	This is a new policy.	N. Miller, Prog Eval. Consultant, in consultation with J. Brown, DO and R. Lucovich, HR Specialist