
Understanding Contract Execution at Texas A&M University

At Texas A&M University, the execution of written contracts is a critical process that ensures legal compliance, financial accountability, and institutional integrity. Whenever the university enters into a binding agreement with another party, whether involving stated or implied consideration, a written contract must be executed. This requirement applies to a broad range of agreements, including but not limited to purchase orders, cooperative agreements, memoranda of understanding (MOUs), interagency contracts, grants, loans, easements, licenses, leases, permits, and restrictions related to the acceptance of gifts and bequests.

The contract process begins with the completion of a **Contract Request** in AggieBuy. This request must be properly filled out and approved by the originating department before being routed to **Contract Administration** through the appropriate **Department Finance staff**. **It is essential to note that most departmental personnel (including the Assistant Dean for Business Services and the Dean of CEHD) do not possess the authority to sign contracts on behalf of Texas A&M University.** Only designated individuals with delegated authority may execute contracts, and unauthorized signatures may result in legal and administrative complications.

Before submitting a contract for review, departments are expected to conduct a thorough internal evaluation. This includes confirming that the terms of the contract align with departmental expectations, ensuring that all referenced documents (such as exhibits and attachments) are included, and verifying that complete contact information for the second party or vendor is provided. These steps help streamline the review process and reduce delays in execution.

Texas A&M University distinguishes between two primary submission pathways: **Requisition** and **Contract Request**. A Requisition must be submitted when the purchase exceeds \$25,000, involves software (regardless of value), or when funds are to be encumbered. In contrast, a Contract Request is appropriate for purchases under \$25,000 that do not involve software and do not require encumbering funds. Additionally, Contract Requests are used for revenue-generating or non-monetary agreements.

There are specific exceptions to the standard contract review process. For example, agreements involving hotel or conference facility reservations do not require Contract Administration review if the **Facility Use Addendum**—provided by Contract Administration—is used in conjunction with the facility's standard agreement. However, if the facility objects to the use of the addendum, the agreement must be submitted for formal review. Furthermore, the **Vice President for Finance and Business Services** or their designee may waive the requirement for a written contract under certain circumstances.

In conclusion, the contract execution process at Texas A&M University is designed to uphold institutional standards and protect the university's interests. By following the established procedures, departments can ensure that agreements are legally sound, financially responsible, and aligned with university policies.

For any questions or uncertainties, personnel are encouraged to consult the [Contract Administration](#) requirements or reach out to their Business Department representatives for guidance.

Further References:

<https://contracts.tamu.edu/resources/index.html>