

Procedure for FI0420: Contracts Fiscal Review Committee	
Version: 1	Effective Date: 3/01/2023

Objective

This procedure outlines the process for when the university must present a contract to the General Assembly's Fiscal Review Committee. Also, this procedure outlines additional contracts that must be routed to various State of Tennessee offices for review.

Scope

This procedure applies to all departments, but the primary focus of this procedure is the UT System and various campus contract offices.

Roles

UT's departments and contract offices will use this procedure to determine whether the university must present a contract to the Fiscal Review Committee or to other state of Tennessee offices, or both.

Procedure

I. Fiscal Review Committee

A. General Overview

- i. Tennessee law (T.C.A. § 3-7-101, et. seq.) establishes the Fiscal Review Committee, which is a joint committee of the Tennessee General Assembly ("joint" meaning that members from both houses are on the committee).
- ii. Under T.C.A. § 3-7-112, the Fiscal Review Committee has statutory authority to review contracts. Under T.C.A. § 4-56-107, the Fiscal Review Committee must review certain non-competitive contracts before the University can sign the contract.
- iii. Unless the Fiscal Review Committee has exempted the category of contract (see below), the University must present contracts that meet all of the following criteria to the Fiscal Review Committee:
 1. Non-competitive/sole-source: the contract was not acquired through a public, competitive bid process; and
 2. Duration is longer than one year; and

3. The value is equal to or more than \$250,000.00.
- iv. The Fiscal Review Committee might require the University to present other types of contracts, such as amendments to contracts that resulted from a bid process. See the Committee's website for more details.
<https://www.capitol.tn.gov/joint/committees/fiscal-review>
- v. Before submitting a contract to the Fiscal Review Committee, the UT System Administration Procurement Services office will notify the Vice President of Government Relations and Advocacy.

B. Presentation

- i. The UT System Administration Procurement Services office is the University's liaison with the Fiscal Review Committee. If a department submits a contract for review that the university must present to the Fiscal Review Committee, the UT System Administration Procurement Services office will assist the department with the Fiscal Review Committee's mandatory paperwork.
- ii. Generally, State agencies, including the University, that have contracts subject to the Fiscal Review Committee's review must present the proposed contract in person at a formal hearing. The Fiscal Review Committee might place a contract on its consent agenda, if the Fiscal Review Committee exercises its discretion to forgo the presentation requirement. The applicable Chief Business Officer will be responsible for selecting the appropriate University representative who will attend the Fiscal Review Committee hearing. The applicable Chief Business Officer will coordinate with the Chief Financial Officer to select the University representative with all information necessary before the Fiscal Review Committee hearing occurs.
- iii. The University must either provide the Fiscal Review Committee with a fully negotiated version of the contract, or provide a substantially complete version of the contract and then provide the final version to the Fiscal Review Committee before the University signs the contract.
- iv. Because the Fiscal Review Committee requires contracts and amendments to be submitted no less than 60 days before the contract or amendment start date, contracts and amendments must be submitted to the UT System Administration Procurement Services office at least 120 days in advance of the contract or amendment start date. Campuses or institutes may issue a procedure to allow departments to submit contracts less than 120 days in advance, but no less than 60 days in advance of the proposed start date.

C. Exemptions

- i. Contracts that fall into one of the following categories are exempt from Fiscal Review Committee presentation:
 1. Amendments to contracts for enterprise resource planning (ERP) systems, provided that the university procured the ERP system competitively

2. Contracts for training medical residents and interns
3. Contracts that the university submits to the Tennessee State Building Commission
4. Maintenance agreements for equipment or software when the equipment or software was obtained through a competitive procurement process (for example, through a Request for Proposals)
5. Revenue-producing contracts (provided that the net revenue exceeds the University's expenses) [to be considered a revenue-producing contract, the revenue must be directly from the other party to the University.]
6. Sponsored research grants and contracts
7. Subscription to journals, periodicals, or electronic databases that are only available from one source when the resource will be used for libraries or when the resource is substantively similar to a library resource

Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this procedure could result in adverse human resources actions. Further, failure to comply with this procedure could result in negative consequences for the university, as a whole.

Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Blake Reagan	865-974-3971	breagan@tennessee.edu

