

## *Signing Contracts for Your PTA*

1. The president is the only one in your organization who is authorized to sign contracts based on your PTA by-laws and your insurance liability coverage. The insurance purchased through the CT PTSA covers Directors and Officers. If you have co-presidents only one of them should be authorized to sign all contracts.
2. Consider requiring each contract to have two signatures. This is not recognized by banks though.
3. Consider signing only one year contracts when possible. In some cases it may be necessary to sign a 2-3 year contract to get the best terms. Adding the clause, "subject to funding" allows for New Executive Boards to make other decisions and reduces the risk of financial liability.
4. Conduct background research on each prospective vendor.
  - a. Use your council monthly meetings or CT PTSA to vet a company you are considering to engage in a contractual agreement. This may provide additional information about the company and could also help with negotiating the price if other PTAs are considering the same vendor.
  - b. Search for the company on the Internet to find out if there is any information positive or negative about their business practices on the web.
  - c. Check references, S&P Rating and/or the Better Business Bureau report.
  - d. Obtain Certificate of Liability Insurance and Indemnity information.
  - e. Best's rating; general liability and professional liability.
5. Write 2-4 sentences in each contract, when applicable, which outline the scope, deliverable, task, timeline and service. This will ensure that other board members and future boards understand the arrangement with the vendor.
6. Ask an attorney, in your school, to look at the contract before signing so your liability is understood. You will want to fully understand how you can get out of a contract. Consider including a "cancel for cause" or "performance standards" clause.
7. Request proper tax identification information. If the vendor is an independent contractor, request they fill out and return a Federal 1099 Form along with the signed contract.
8. Make sure you have a local contact person to answer questions about the contract and who will respond to your concerns or questions.
9. Keep copies of each signed contract together in a designated folder for easy reference and for an easy transfer to next year's leadership.
10. Show all contracts to your principal to make him/her aware of the PTA and vendor agreement.