Fiscal Year ‘10 Operational Highlights

**How Illinois Senate Bill 51 (SB 51) Impacts Revenue Contracts**

The implementation of Public Act 09-795 of 2009 (also known as Senate Bill 51 or SB51) became effective July 1, 2010. **SB51** has significant impact on the Illinois Procurement Code, affecting all state agencies’ procurement policies and procedures.

The implication of SB51 on revenue-generating contracts, from our perspective at OBDS, is that the University units/departments/colleges providing services to any other State of Illinois agencies should note that pursuant to **30ILCS/20-80(d)**: “they shall not be paid for goods that were received or services rendered before the contract was reduced to writing and signed by all parties”. In other words, if you provide goods or services to a state agency before the contract is signed, the agency will have a forceful legal argument that the University may not receive payment for anything that was provided before the agency signed the contract. You may be at a considerable loss if this occurs.

**Director’s Note**

As we look forward to a new fiscal year I would like to highlight some of our activities in FY’10. OBDS received a total of 1185 revenue contracts which represents an increase of 34.4% over last year. Furthermore, 91% of contracts were processed and fully executed within 30 days of receipt. This turnaround time would not be possible without close collaboration between OBDS staff and our clients. Thanks to all for your hard work.

Senate Bill 51 (SB 51) became effective on July 1, 2010. Although SB51 is procurement legislation, there are implications for revenue-contracts which are discussed in this newsletter.

We are concluding the Risk Management in Revenue Contracts discussion started in the previous newsletter with an article on Insurance. Other topics will follow in future newsletters.

Finally, OBDS is introducing a new service called Revenue Management Service to our clients, I hope you find this service helpful.

**Inside this issue:**

- FY ’10 Reports 1-2
- SB 51 1
- Coming soon 1
- TULIP 1
- OBDS Good Business Practice Series 2
- Revenue Management Services 2
- Pepsi Donates $10k 2

**Coming Soon**

- The Information Technology Priorities Committee (ITPC) gave OBFS the green light to proceed with the implementation of a Contract Management System. For its part, OBDS anticipates it will improve efficiency and facilitate the contract process as well as re-organize and coordinate the contract development processes for easy monitoring and reporting.

**Tenant Users Liability Insurance Policy (TULIP)**

Groups or individuals desiring to use University of Illinois facilities and premises must show evidence of liability insurance in the amount of $1,000,000. The University offers access to a TULIP for outside entities that want to use University premises and that may not otherwise have access to liability insurance. The policy protects both the facility user and the University of Illinois against claims by third parties who may be injured as a result of participating in an event.

For additional information, visit the University Risk Management web page [http://www.obfs.uillinois.edu/risk/tenant_users_liability_insurance_policy_tulip/](http://www.obfs.uillinois.edu/risk/tenant_users_liability_insurance_policy_tulip/).
Insurance: This clause ensures that the contracting parties have the necessary financial resources to cover losses most likely to occur for which they are responsible.

The University is self-insured for liability risks. To insure its property risks the University purchases commercial insurance for buildings, and in some instances on business contents and equipment. External parties using University property or doing business with us are required to maintain liability insurance and other applicable insurance as necessary to reasonably protect the University in amounts deemed adequate by the University. Such insurance must be related to the type of service(s) to be provided in the contract(s). External parties should provide an insurance certificate as proof of coverage.

The external party’s insurance certificate must:
- Show the Name Insured and it should be the same name as the contracting party;
- Show liability limits equal to or greater than those required by the contract;
- Be signed, and the expiration date must cover contract period;
- List each type of insurance required by the contract; and
- Provide for at least 30 days advance notice of any modification, change or cancellation of coverage.

The University may require, under certain circumstances that the insurance certificate list “The Board of Trustees of University of Illinois” as an additional insured on the general liability coverage.

In contracts reviewed at OBDS, full consideration is given to Indemnity and Insurance provisions by working closely with Office of Risk Management to minimize the risk of financial loss borne by University.

OBDS Good Business Practice Series
Risk Management in Revenue Contracts Part 2 (Conclusion)

Revenue Management Services

The Office of Business Development Services (OBDS) is currently on course to develop a set of services to support departments with managing their revenue contract agreement from development, full contract execution to the end of the contract terms.

These set of services is called Revenue Management Services (RMS) where we will assist departments with requesting and filling out forms pertaining to:
- Self Supporting Funds for revenue agreements
- Detail Account Code set-up necessary for invoicing clients in Banner
- General Account Receivable (GAR) Account Set-Up
- Collection Resources

These services are offered through our partnership with University Student and Financial Services Cashiers Operations (USFSCO) and will help us prepare sound contracts using “good business practices” with practical fee structure and billing arrangements minimizing contract failures and uncollectable revenue.

Keep your ear to the grapevine. More information is to come.