



**STATE OF MINNESOTA
MINNESOTA STATE COLLEGES AND UNIVERSITIES
SYSTEM OFFICE**

PROFESSIONAL/TECHNICAL SERVICES CONTRACT

THIS CONTRACT, and amendments and supplements thereto, is between the State of Minnesota, acting through its **Board of Trustees of the Minnesota State Colleges and Universities**, on behalf of the **System Office** (hereinafter MINNESOTA STATE), and *[INSERT CONTRACTOR'S LEGAL NAME AND FULL ADDRESS]*, an independent contractor, not an employee of the State of Minnesota (hereinafter CONTRACTOR).

WHEREAS, MINNESOTA STATE, pursuant to Minnesota Statutes Chapter 136F, is empowered to procure from time to time certain professional/technical services, and

WHEREAS, MINNESOTA STATE is in need of professional/technical services, and

WHEREAS, the CONTRACTOR represents it is duly qualified and willing to perform the services set forth in this contract and

NOW, THEREFORE, it is agreed:

1. **TERM OF CONTRACT.** This contract is effective on *April 1, 2017* or upon the date the final required signature is obtained by MINNESOTA STATE, whichever occurs later, and shall remain in effect until *March 31, 2020* or until all obligations set forth in this contract have been satisfactorily fulfilled, whichever occurs first. The CONTRACTOR understands that no work should begin under this contract until all required signatures have been obtained and the CONTRACTOR is notified to begin work by MINNESOTA STATE's authorized representative.

The CONTRACTOR understands that no work should begin on Perkins Closeout Audits under this contract until all required signatures have been obtained, a duly authorized and executed work order has been issued, and the contractor is notified to begin work by the authorized representative for MINNESOTA STATE. The term of any Perkins Closeout Audit Work Order issued under this Contract may not extend beyond the expiration of this Contract.



Both parties agree to an option to extend external auditing services up to the additional three fiscal years of 2020, 2021 and 2022, as necessary in order to serve the best interests of the MINNESOTA STATE, if mutually agreed upon by both parties and in writing via an amendment.

2. **DUTIES.**

CONTRACTOR'S DUTIES. The CONTRACTOR will provide external auditing services for MINNESOTA STATE for four financial statements audits for three fiscal years 2017, 2018 and 2019, two individual university financial statements audits [Minnesota State will decide whether these two audits are included prior to negotiating and executing the contract], A-133 compliance audits of federal student financial aid for three fiscal years 2017, 2018 and 2019, completion of NCAA Agreed Upon Procedures at six universities for fiscal year 2018, and individual college and university Perkins Loans Closeout Audits as needed. Specifically, the following services are being sought:

- a. Systemwide Financial Statement Audit
- b. Revenue Fund Financial Statement Audit
- c. Itasca Community College Student Housing Funds, Itasca Hall and Wenger Hall (ICCSH) Financial Statement Audit
- d. KVSC Radio 88.1 FM (St. Cloud State University Enterprise Fund) Financial Statement Audit
- e. University Financial Statement Audits for St. Cloud State University and Winona State University [Minnesota State will decide whether these two audits are included prior to negotiating and executing the contract]
- f. Federal Student Financial Aid Audit (A-133)
- g. NCAA Agreed Upon Procedures for fiscal year 2018 for the following six state universities with intercollegiate athletics and classified as Division II institutions by the NCAA:
 - Bemidji State University
 - Minnesota State University, Mankato
 - Minnesota State University Moorhead
 - Southwest Minnesota State University
 - St. Cloud State University
 - Winona State University



h. Perkins Closeout Audits as needed

The CONTRACTOR will provide external auditing services on an annual basis as described in the Request for Proposals for External Auditing Services for the Minnesota State Colleges and Universities for the Fiscal Years of 2017 - 2019 (Exhibit A) attached herein and incorporated by reference.

The CONTRACTOR will provide a minimum of an annual presentation to the Audit Committee on specific topics to be agreed upon between MINNESOTA STATE and the CONTRACTOR.

The CONTRACTOR will provide an annual presentation to system financial aid directors on student financial aid administration best practices.

Except in the cases of death, illness, termination, resignation or other severance of association of the key management personnel (in which case the CONTRACTOR shall consult with MINNESOTA STATE and assign a replacement if necessary), no change shall be made in key management personnel unless approved in advance in writing by the MINNESOTA STATE authorized representative (which approval shall not be unreasonably withheld or delayed). The CONTRACTOR'S key management personnel are as follows:

Name:
E-Mail:
Telephone:

Name:
E-Mail:
Telephone:

MINNESOTA STATE DUTIES. MINNESOTA STATE shall timely provide necessary access to records and support services for each of the three years of this contract as described in Exhibit A.

MUTUAL DUTIES. The CONTRACTOR and MINNESOTA STATE agree that prior to commencing the audits for each of the fiscal years 2017, 2018, and 2019 the CONTRACTOR and the Vice Chancellor/Chief Financial Officer shall enter into an engagement letter for the audits for each of the fiscal years in substantially the form required by generally accepted auditing standards and that such engagement letter shall supplement the terms and agreements herein. In the event there is a conflict in the terms



or provisions contained in the engagement letter and this contract, or additional terms in the engagement letter not found in this contract, the terms and provisions in this contract shall control and govern.

Engagement letters shall be in writing and executed in accordance with Section 16. AMENDMENTS.

The federal government requires independent auditors to perform specific agreed upon procedures whenever a college or university elects to liquidate and close out its Perkins Loan program. A college or university fund and portfolio cannot be considered liquidated until the fund and portfolio information have been reviewed and substantiated by an independent auditor. The CONTRACTOR and MINNESOTA STATE agree that for each Perkins Closeout Audit, MINNESOTA STATE, requesting service on an as-needed basis, shall provide the CONTRACTOR with a project description by means of a Work Order, which will formally authorize the CONTRACTOR to proceed with the work for a college or university. The CONTRACTOR understands that this Professional/Technical Contract is not a guarantee of work. MINNESOTA STATE has determined that it may have need for the services under this Contract, but does not commit to issuing Work Orders or spending any money for services provided by the CONTRACTOR.

3. CONSIDERATION AND TERMS OF PAYMENT.

A. Consideration for all services performed and goods or materials supplied by the CONTRACTOR pursuant to this contract shall be paid by MINNESOTA STATE as follows:

- 1) Professional fees and expenses for all services performed by the CONTRACTOR pursuant to this contract shall be paid by MINNESOTA STATE and are set forth for the audit of each fiscal year is as follows:

	FY 2017	FY 2018	FY 2019
Systemwide Financial Statement Audit			
Revenue Fund Financial Statement Audit			



	FY 2017	FY 2018	FY 2019
Itasca Community College Student Housing Funds, Itasca Hall and Wenger Hall (ICCSH) Financial Statement Audit			
KVSC Radio 88.1 FM (at St. Cloud State University) Financial Statement Audit			
St. Cloud State University Financial Statement Audit [Minnesota State will decide whether this audit is included prior to negotiating and executing the contract]			
Winona State University Financial Statement Audit [Minnesota State will decide whether this audit is included prior to negotiating and executing the contract]			
Federal Student Financial Aid Audit			
NCAA Agreed Upon Procedures: Bemidji State University	X		X
NCAA Agreed Upon Procedures: Minnesota State University, Mankato	X		X
NCAA Agreed Upon Procedures: Minnesota State University Moorhead	X		X
NCAA Agreed Upon Procedures: Southwest Minnesota State University	X		X
NCAA Agreed Upon Procedures: St. Cloud State University	X		X



	FY 2017	FY 2018	FY 2019
NCAA Agreed Upon Procedures: Winona State University	X		X
Per Fiscal Year:			

- 2) Colleges and universities may elect to use the terms of this proposal to initiate a work order for a Perkins Closeout Audit with the CONTRACTOR. For all Perkins Closeout Audits performed as needed and as outlined in individual work orders, the following price structure will apply:

[The CONTRACTOR will indicate the price structure they agree to for Perkins Loans close out agreed upon procedures.]

No funds are encumbered for Perkins Closeout Audits at this time and payment will be certified by Work Order.

- 3) Reimbursement for travel and subsistence expenses actually and necessarily incurred by the CONTRACTOR in performance of this contract in an amount not to exceed *[INSERT DOLLAR AMOUNT IN WORDS AND NUMBERS (e.g. One Hundred Twenty and 00/100 Dollars (\$120.00). IF NONE, INSERT "Zero Dollars (\$0.00)]* provided that CONTRACTOR shall be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Employee Relations attached hereto. The CONTRACTOR shall not be reimbursed for travel and subsistence expenses incurred outside the State of Minnesota unless it has received prior written approval for such out-of-state travel from MINNESOTA STATE's authorized representative.
- 4) The total obligation of MINNESOTA STATE for all professional fees and expenses to the CONTRACTOR shall not exceed *[INSERT DOLLAR AMOUNT IN WORDS AND NUMBERS, e.g. Four Thousand One Hundred Twenty and 00/100 Dollars (\$4,120.00)]*, unless this contract is amended in writing.

Reimbursement for Perkins Closeout Audits performed as needed will be in addition to the total obligation, and each audit must be certified by Work Order.



To justify an amendment in professional fees; MINNESOTA STATE and the CONTRACTOR must agree that a material change in circumstances affecting at least one audit has occurred, and such an amendment must be in writing and executed in accordance with Section 16. AMENDMENTS.

B. Terms of Payment. Payment shall be made by MINNESOTA STATE promptly after the CONTRACTOR'S presentation of invoices for services performed and acceptance of such services by the MINNESOTA STATE authorized representative. All services provided by the CONTRACTOR pursuant to this contract shall be performed to the satisfaction of MINNESOTA STATE, as determined at the sole discretion of its authorized representative, and in accordance with the rules and regulations of the American Institute of Certified Public Accountants, due professional care, the terms and conditions hereof, and all applicable federal, state and local laws, ordinances, rules and regulations. The CONTRACTOR shall not receive payment for work found by MINNESOTA STATE to be unsatisfactory, not performed in all material respects in accordance with the terms and conditions hereunder, or performed in violation of any applicable federal, state or local law, ordinance, rule or regulation. Invoices shall be presented by CONTRACTOR **monthly or according to the following schedule:**

4. AUTHORIZED REPRESENTATIVES. All official notifications, including but not limited to, cancellation of this contract must be sent to the other party's authorized representative.

A. MINNESOTA STATE's authorized representative for the purpose of administration of this contract is:

Name: Laura M. King, Vice Chancellor/Chief Financial Officer
Address: 30 East 7th Street, Suite 350, St. Paul, MN 55101
Telephone: 651-201-1732
E-Mail: laura.king@so.mnscu.edu

Such representative shall have final authority for acceptance of the CONTRACTOR'S services and, if such services are accepted as satisfactory, shall so certify on each invoice presented pursuant to Clause 3, paragraph b.

B. The CONTRACTOR'S authorized representative for the purpose of administration of this contract is:

Name:
Address:
Telephone:



E-Mail:

5. **CANCELLATION AND TERMINATION.**

A. This contract may be canceled by MINNESOTA STATE at any time, with or without cause, upon thirty (30) days written notice to the CONTRACTOR. In the event of such a cancellation, the CONTRACTOR shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed, in accordance with the rules and regulations of the American Institute of Certified Public Accountants, due professional care and the terms and conditions hereof, and expenses incurred up to and including the date of termination, not to exceed the amounts set forth in Section III above.

B. Termination for Insufficient Funding. MINNESOTA STATE may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature or other funding source, or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the CONTRACTOR within a reasonable time of MINNESOTA STATE receiving notice that sufficient funding is not available. MINNESOTA STATE is not obligated to pay for any services that are provided after notice and effective date of termination. However, the CONTRACTOR will be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed to the extent that funds are available. MINNESOTA STATE will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source not to appropriate funds.

6. **ASSIGNMENT.** The CONTRACTOR shall neither assign nor transfer any rights or obligations under this contract without the prior written consent of MINNESOTA STATE.

7. **LIABILITY.** The CONTRACTOR shall indemnify, save, and hold MINNESOTA STATE, its representatives and employees harmless from any and all claims or causes of action, including all attorney's fees incurred by MINNESOTA STATE, arising from the performance of this contract by the CONTRACTOR or CONTRACTOR'S agents or employees. This clause shall not be construed to bar any legal remedies the CONTRACTOR may have for MINNESOTA STATE's failure to fulfill its obligations pursuant to this contract.

8. **WORKERS' COMPENSATION.** The CONTRACTOR certifies it is in compliance with Minnesota Statutes §176.181, subd. 2 pertaining to workers' compensation insurance



coverage. The CONTRACTOR'S employees and agents will not be considered MINNESOTA STATE employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way MINNESOTA STATE's obligation or responsibility.

9. **PUBLICITY.** Any publicity given to the program, publications, or services provided resulting from this contract, including, but not limited to, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the CONTRACTOR or its employees individually or jointly with others, or any subcontractors shall identify MINNESOTA STATE as the sponsoring agency and shall not be released prior to receiving the approval of MINNESOTA STATE's authorized representative.

10. **MINNESOTA STATUTES §181.59.**

The Contractor will comply with the provisions of Minnesota Statutes §181.59 which require:

Every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) that, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason or race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) that no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) that a violation of this section is a misdemeanor; and (4) that this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.



11. **DATA DISCLOSURE.**

- A. As a condition of this contract, CONTRACTOR is required by Minn. Stat. §270C.65 to provide a social security number, a federal tax identification number or Minnesota tax identification number. This information may be used in the enforcement of federal and state tax laws. These numbers will be available to federal and state tax authorities and state personnel involved in approving the contract and the payment of state obligations. Supplying these numbers could result in action to require CONTRACTOR to file state tax returns and pay delinquent state tax liabilities. This contract will not be approved unless these numbers are provided.
- B. Independent Contractors. Minn. Stat. §256.998 requires MINNESOTA STATE to report the name, address and social security number of independent contractors to the New Hire Reporting Center of the Minnesota Department of Human Services unless this Contract is for less than two months in duration with gross earnings of less than \$250.00 per month. This information may be used by state or local child support enforcement authorities in the enforcement of state and federal child support laws.

12. **GOVERNMENT DATA PRACTICES ACT.** The requirements of Minnesota Statutes § 13.05, subd. 11 apply to this contract. The CONTRACTOR and MINNESOTA STATE must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by MINNESOTA STATE in accordance with this contract, and as it applies to all data, created, collected, received, stored, used, maintained, or disseminated by the CONTRACTOR in accordance with this contract. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either the CONTRACTOR or MINNESOTA STATE.

In the event the CONTRACTOR receives a request to release the data referred to in this clause, the CONTRACTOR must immediately notify MINNESOTA STATE. MINNESOTA STATE will give the CONTRACTOR instructions concerning the release of the data to the requesting party before the data is released.

13. **OWNERSHIP OF MATERIALS AND INTELLECTUAL PROPERTY RIGHTS.**

- A. MINNESOTA STATE shall own all rights, title and interest in all of the materials conceived or created by the CONTRACTOR, or its employees or subcontractors, either individually or jointly with others and which arise out of the performance of this contract, created and paid for under this contract, including any inventions,



reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically, magnetically or digitally recorded material, and other work in whatever form (hereinafter MATERIALS).

The CONTRACTOR hereby assigns to MINNESOTA STATE all rights, title and interest to the MATERIALS. The CONTRACTOR shall, upon request of MINNESOTA STATE, execute all papers and perform all other acts necessary to assist MINNESOTA STATE to obtain and register copyrights, patents or other forms of protection provided by law for the MATERIALS. The MATERIALS created under this contract by the CONTRACTOR, its employees or subcontractors, individually or jointly with others, shall be considered “works made for hire” as defined by the United States Copyright Act. All of the MATERIALS, whether in paper, electronic, or other form, shall be remitted to MINNESOTA STATE by the CONTRACTOR, its employees and any subcontractors, and the CONTRACTOR shall not copy, reproduce, allow or cause to have the MATERIALS copied, reproduced or used for any purpose other than performance of the CONTRACTOR’S obligations under this contract without the prior written consent of MINNESOTA STATE’S authorized representative.

- B. The CONTRACTOR represents and warrants that MATERIALS produced or used under this contract do not and will not infringe upon any intellectual property rights of another, including, but not limited to, patents, copyrights, trade secrets, trade names, and service marks and names. The CONTRACTOR shall indemnify and defend, to the extent permitted by the Attorney General, MINNESOTA STATE at the CONTRACTOR’S expense from any action or claim brought against MINNESOTA STATE to the extent that it is based on a claim that all or part of the MATERIALS infringe upon the intellectual property rights of another. The CONTRACTOR shall be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including, but not limited to, reasonable attorney fees arising out of this contract, amendments and supplements thereto, which are attributable to such claims or actions.

If such a claim or action arises, or in the CONTRACTOR’S or MINNESOTA STATE’S opinion is likely to arise, the CONTRACTOR shall, at MINNESOTA STATE’S discretion, either procure for MINNESOTA STATE the right or license to continue using the MATERIALS at issue or replace or modify the allegedly infringing MATERIALS. This remedy shall be in addition to and shall not be exclusive to other remedies provided by law.



14. **ANTITRUST.** The CONTRACTOR hereby assigns to the State of Minnesota any and all claims for overcharges as to goods or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States or the antitrust laws of the State of Minnesota.
15. **JURISDICTION AND VENUE.** This contract, and amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this contract, or breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.
16. **AMENDMENTS.** Any amendments to this contract shall be in writing and shall be executed by the same parties who executed the original contract, or their successors in office.
17. **STATE AUDITS.** The books, records, documents, and accounting procedures and practices of the CONTRACTOR relevant to this contract shall be subject to examination by MINNESOTA STATE and the Legislative Auditor for a minimum of six (6) years from the end of the contract.
18. **SURVIVAL OF TERMS.** The following clauses survive the expiration, cancellation or termination of this contract: Liability; Publicity; Data Disclosure; Government Data Practices Act; Ownership of Materials and Intellectual Property Rights; Jurisdiction and Venue; and State Audits.
19. **AFFIRMATIVE ACTION REQUIREMENTS FOR CONTRACTS IN EXCESS OF \$100,000.00 AND THE CONTRACTOR HAS MORE THAN 40 FULL-TIME EMPLOYEES IN MINNESOTA OR ITS PRINCIPAL PLACE OF BUSINESS.**

MINNESOTA STATE intends to carry out its responsibility for requiring affirmative action by its CONTRACTORS.

- A. Covered Contracts and Contractors. If the contract exceeds One Hundred Thousand and 00/100 Dollars (\$100,000.00) and the CONTRACTOR employed more than forty (40) full-time employees on a single working day during the previous twelve (12) months in Minnesota or in the state where it has its principle place of business, then the CONTRACTOR must comply with the requirements of Minnesota Statutes §363A.36 and Minnesota R. Parts 5000.3400-5000.3600. A CONTRACTOR covered by Minnesota Statutes §363A.36 because it employed more than forty (40) full-time employees in another state and the CONTRACTOR does not have a Certificate of



Compliance, said CONTRACTOR must certify that it is in compliance with federal affirmative action requirements.

- B. Minnesota Statutes §363A.36. Minnesota Statutes §363A.36 requires CONTRACTOR to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights (hereinafter COMMISSIONER) as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.
- C. Minnesota R. 5000.3400-5000.3600.
 - 1) General. Minnesota R. 5000.3400-5000.3600 implement Minnesota Statutes §363A.36. These rules include, but are not limited to: criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minnesota R. 5000.3400-5000.3600, including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.
 - 2) Disabled Workers. The CONTRACTOR must comply with the following affirmative action requirements for disabled workers.
 - a. The CONTRACTOR must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CONTRACTOR agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.



- b. The CONTRACTOR agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
 - c. In the event of the CONTRACTOR'S noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes §363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.
 - d. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Commissioner of the Minnesota Department of Human Rights. Such notices must state the CONTRACTOR'S obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
 - e. The CONTRACTOR must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONTRACTOR is bound by the terms of Minnesota Statutes §363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.
- 3) Consequences. The consequences for the CONTRACTOR'S failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the COMMISSIONER, refusal by the COMMISSIONER to approve subsequent plans, and termination of all or part of this contract by the COMMISSIONER or MINNESOTA STATE.
- 4) Certification. The CONTRACTOR hereby certifies it is in compliance with the requirements of Minnesota Statutes §363A.36 and Minnesota R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

20. **ENTIRE AGREEMENT.** This Contract represents the entire agreement between the parties and supersedes any previous discussions or agreements, either verbal or written that occurred between the parties. This Contract may not be amended except by



written agreement signed by the parties hereto. In the event of any conflict or inconsistency between this Contract and any riders, exhibits, addenda, or other document incorporated herein, this Contract shall govern.

21. **GRAMM LEACH BLILEY ACT.** MINNESOTA STATE and the CONTRACTOR mutually agree to comply with the requirements of the Gramm Leach Bliley Act (“GLB”) dealing with the confidentiality of customer information and the Safeguards Rule.

A. Definitions:

- 1) *Covered Data and Information* includes Student Financial Information (defined below) required to be protected under the Gramm Leach Bliley Act (GLB), as well as any credit card information received in the course of business by MINNESOTA STATE, whether or not such credit card information is covered by GLB. Covered data and information includes both paper and electronic records.
- 2) *Student Financial Information* is that information that MINNESOTA STATE has obtained from a customer in the process of offering a financial product or service, or such information provided to MINNESOTA STATE by another financial institution. Offering a financial product or service includes offering student loans to students, receiving income tax information from a student’s parent when offering a financial aid package, and other miscellaneous financial services as defined in 12 C.F.R. § 225.28. Examples of student financial information include addresses, phone numbers, bank and credit card account numbers, income and credit histories and Social Security numbers, in both paper and electronic format.

- B. Acknowledgement of Access to Covered Data and Information: The CONTRACTOR acknowledges that this contract allows the CONTRACTOR access to Covered Data and information. Specifically, access to student financial information as defined in paragraph Part A, subpart 2 is anticipated under this contract.

- C. Prohibition on Unauthorized Use or Disclosure of Covered Data and Information: The CONTRACTOR agrees to hold the covered data and information in strict confidence. The CONTRACTOR shall not use or disclose Covered Data and Information received from or on behalf of MINNESOTA STATE except as permitted or required by this contract, as required by law, or as otherwise authorized in writing by MINNESOTA STATE.

- D. Safeguard Standard: The CONTRACTOR agrees that it will protect the Covered Data and Information it receives from or on behalf of MINNESOTA STATE according to



commercially acceptable standards and no less rigorously than it protects its own confidential information.

- E. Destruction of Covered Data and Information: Upon termination, cancellation, expiration or other conclusion of this contract, the CONTRACTOR shall extend the protections of this section to Covered Data and Information received from or created on behalf of MINNESOTA STATE, and limit further uses and disclosures of such Covered Data and Information, for so long as CONTRACTOR maintains the Covered Data and Information. When the CONTRACTOR no longer needs to maintain the Covered Data and Information, the CONTRACTOR shall destroy the Covered Data and Information in a secure manner.
- F. Term and Termination:
- 1) In addition to the rights of the parties established herein, if MINNESOTA STATE reasonably determines in good faith that CONTRACTOR has materially breached any of its obligations under this section, MINNESOTA STATE, in its sole discretion, shall have the right to:
 - a. Exercise any of its rights to reports, access and inspection under this section; and/or
 - b. Require CONTRACTOR to submit to a plan of monitoring and reporting, as MINNESOTA STATE may determine necessary to maintain compliance with this section; and/or
 - c. Provide CONTRACTOR with a fifteen (15) day period to cure the breach; and/or
 - d. Terminate this contract immediately if CONTRACTOR has breached a material term of this section and cure is not possible.
 - 2) Before exercising any of these options, MINNESOTA STATE shall provide written notice to CONTRACTOR describing the violation and the action it intends to take.
- G. Subcontractors and Agents: If CONTRACTOR provides any Covered Data and Information which was received from, or created for, MINNESOTA STATE to a subcontractor or agent, then CONTRACTOR shall require such subcontractor or agent to agree to the same restrictions and conditions as are imposed on CONTRACTOR by this section.



H. Maintenance of the Security of Electronic Information: CONTRACTOR shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted Covered Data and Information received from, or on behalf of, MINNESOTA STATE.

22. **REPORTING OF UNAUTHORIZED DISCLOSURES OR MISUSE OF COVERED DATA AND INFORMATION**: CONTRACTOR shall report to MINNESOTA STATE any use or disclosure of Covered Data and Information not authorized by this Section or in writing by MINNESOTA STATE. CONTRACTOR shall make the report to MINNESOTA STATE not less than one (1) business day after CONTRACTOR learns of such use or disclosure. CONTRACTOR's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the Covered Data and Information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what CONTRACTOR has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action CONTRACTOR has taken or shall take to prevent future similar unauthorized use or disclosure. CONTRACTOR shall provide such other information including a written report, as reasonably requested by MINNESOTA STATE.

23. **OTHER PROVISIONS**. NONE.

The rest of this page intentionally left blank. Signature page to follow.



IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

APPROVED:

1. CONTRACTOR:

CONTRACTOR certifies that the appropriate person(s) have executed the contract on behalf of CONTRACTOR as required by applicable articles, by-laws, resolutions, or ordinances.

By (authorized signature and printed name)
Title
Date

2. VERIFIED AS TO ENCUMBRANCE:

Employee certifies that funds have been encumbered as required by Minnesota Statutes §16A.15.

By (authorized signature and printed name)
Title
Date

3. MINNESOTA STATE COLLEGES AND UNIVERSITIES SYSTEM OFFICE:

By (authorized signature and printed name)
Title
Date

4. AS TO FORM AND EXECUTION:

By (authorized signature and printed name)
Title
Date