

# CONSIGNMENT AGREEMENT CHECKLIST

When reviewing a vendor's consignment agreement, departments should use this checklist in conjunction with the "Consignment Agreement Factors to Consider" document.

Consignor/Vendor: \_\_\_\_\_ Department/College: \_\_\_\_\_ Date: \_\_\_\_\_

PROVISIONS	POINTS OF CONSIDERATION	PAGE/SECT. #
Identification of the parties	Both parties should be correctly identified. Ferris State University ("Consignee") is the legal entity entering into the agreement.	
Description of equipment	The educational purpose of and description of the consigned equipment should be clearly stated in the agreement. <b>(Name &amp; Description: _____)</b>	
Value of equipment	The agreement should include the accurate value of the equipment. <b>(\$ _____)</b>	
On-campus delivery location	Is the on-campus delivery location identified and correct? The agreement should also indicate who is responsible for delivery.	
Term of consignment and renewal	The term of the agreement should be clearly stated. If not, modify it as necessary to make it clear. You should be aware if the agreement automatically renews or if renewal requires an affirmative step by a party. <b>(Term: _____)</b>	
Shipping/installation costs	Depending on the type and nature of the equipment, these costs can be substantial. Does the agreement stipulate which party is responsible for the associated costs?	
Repair and maintenance	It is common for Consignors to require notification prior to any repairs or modification to the equipment or that their representatives perform such work.	
Removal and return	Does the agreement identify the return location and the party responsible for removal, return, and the associated costs upon termination?	
Insurance	If the agreement requires the University to carry insurance, send it to Risk Management for review. <b>(Date sent to RM for review: _____)</b>	
Limitation/exclusion of liability	The University does not want to assume liability for damages caused by a product design or defect. It is the University's preference to limit its liability to the stated value of the equipment.	
Indemnification	Indemnifying the Consignor for <b>any</b> personal injury should be avoided. Indemnification that is mutual or based upon the University's bad acts is reasonable. For questions or concerns about indemnification or if the answer to the below question is "yes", contact the General Counsel's office. <b>(Does it require indemnification by the University: ___ Yes ___ No)</b>	
Governing law and venue	As a state entity, the University does not want to be subject to the laws of another state or litigate there. If it is other than Michigan, try to substitute in "Michigan" or delete the section entirely. <b>(Governing Law: _____)</b>	
Signature authority	Per University policy, most consignment agreements must be signed by the Vice President for Administration and Finance.	

Other Comments:

Department: \_\_\_\_\_  
(Initial)

Dean's Office: \_\_\_\_\_  
(Initial)