

SOP Template: Contract Approval and Documentation Management

This SOP defines the **contract approval and documentation management** process, detailing the steps for contract review, approval workflows, documentation standards, storage protocols, and version control. It aims to ensure all contracts are properly vetted, authorized, and securely maintained to support compliance, minimize risks, and enhance organizational accountability.

1. Scope

This SOP applies to all departments and personnel involved in the drafting, review, approval, execution, and storage of contracts within the organization.

2. Responsibilities

Role	Responsibilities
Contract Owner	Initiates contract request and coordinates with other stakeholders.
Legal Department	Reviews contract terms to ensure legal compliance and assess risks.
Finance Department	Reviews contracts for financial terms, budget impact, and alignment with company policy.
Approving Authority	Grants final contract approval as per authorization matrix.
Document Controller	Ensures correct storage, versioning, and access control of executed contracts.

3. Definitions

- **Contract:** A legally binding agreement between two or more parties.
- **Version Control:** The process of managing changes to contract documents over time.
- **Approving Authority:** The individual or group authorized to provide final contract approval.

4. Procedure

- Contract Initiation**
 - Identify need for contract and complete contract request form.
 - Contract owner submits contract draft and supporting documents to Legal.
- Review Process**
 - Legal reviews contract for compliance, risks, and company policy adherence.
 - Finance reviews for budgetary and financial implications (if applicable).
 - Other relevant departments review as necessary.
- Approval Workflow**
 - Contract is routed through defined approval workflow (as per authorization matrix).
 - Final approval captured via electronic signatures or written confirmation.
- Execution**
 - Fully approved contract is signed by all parties.
 - Executed contract is provided to Document Controller for storage.
- Documentation, Storage, and Version Control**
 - Store contract in designated secure digital repository.
 - Apply appropriate access controls and maintain an audit trail.
 - Document Controller manages contract lifecycle, including amendments.
 - All version changes must be logged with date, author, and summary of changes.

5. Documentation Standards

- Use standard contract templates where applicable.
- Ensure all mandatory sections and annexes are included.
- References must be clear and unambiguous.
- Maintain a register of all contracts with key metadata (parties, dates, status).

6. Storage Protocols

- All executed contracts must be stored electronically in the contract management system (CMS).
- Confidential and sensitive contracts require restricted access rights.
- Regular backups must be performed to prevent data loss.

7. Version Control

- Assign unique version numbers to all contract drafts and amendments (e.g., v1.0, v2.0).
- Maintain a change log with details of revisions.
- Retain historical versions for audit purposes.

8. Compliance & Audit

- Conduct periodic reviews to ensure process adherence.
- Report and rectify any non-compliance incidents.
- Archive expired or terminated contracts as per retention policy.

9. References

- Company Policy Manual
- Authorization Matrix
- Contract Management System (CMS) User Guide

10. Revision History

Version	Date	Author	Description of Change
1.0	2024-06-06	SOP Team	Initial draft