



UCCS CAMPUS POLICY

Policy Title: Fee for Service Contracts in Academic Affairs

Policy Number: 900-004

Policy Functional Area: RESEARCH

Effective: April 6, 2006
Approved by: Pam Shockley-Zalabak, Chancellor
Responsible Vice Chancellor: Executive Vice Chancellor of Academic Affairs (EVCAA)
Office of Primary Responsibility: EVCAA
Policy Primary Contact: AVC Research, 719-255-3779
Supersedes: May 15, 2005
Last Reviewed/Updated: April 6, 2006
Applies to: Faculty, Staff & Administration

Reason for Policy: The purpose of this policy is to define procedures applicable to academic units for entering into a fee-for-service contract.

I. INTRODUCTION

As specified in the below-cited APS entitled, "Definition of and Deposit of Funds for Gifts, Grants and Contracts," the following attributes determine whether a (proposed) service provided by an academic unit will be classified as a fee for service activity (contract). Typically, if one or more attributes are not present, the activity would be classified as an externally sponsored program, rather than a fee-for-service activity. However, the final determination would be made after a thorough assessment. Furthermore, these attributes will be assessed for each (proposed) service by the VCAA or their designee,

- A. No Federal funding may be involved (direct or under subcontract).
- B. Award must be fixed price (no detailed budget required by sponsor).
- C. Unexpended funds must not need to be returned to sponsor, and no auditing of expenditures by on or behalf of sponsor must be necessary.
- D. Project must not involve human subjects, animals, biosafety issues, recombinant DNA, radioisotopes, or hazardous/toxic substances.

- E. Project must not involve any proprietary data (sponsor's or the campus's).
- F. Project must provide a routine service at a fixed price, available to any customer in the general public.
- G. No matching or cost sharing may be involved.

II. POLICY STATEMENT

A. Purpose:

The purpose of this policy is to define procedures applicable to academic units for entering into a fee-for-service contract.

The university has two types of contractual instruments available when an academic unit enters into an agreement to provide research, instructional, or community services to an external sponsor. These two instruments are referred to as 1) an externally-funded program agreement (grant or contract), or 2) a fee-for-service contract.

The campus procedures for reviewing proposals and entering into an agreement for an externally-funded program (grant or contract) are well established. Further, these procedures are a critical part of the campus's management system established to assure compliance with Federal and other sponsor requirements.

Procedures for entering into a fee-for-service contract involving an academic unit need to be consistent with these procedures. The need for this policy is driven by the requirement that the campus must be able to *demonstrate* (e.g., to Federal, State, or System auditors) that appropriate procedures are in place to assure compliance with Federal, State, and Regents rules and laws. If contracts may be executed by the campus without appropriate reviews (for human subject protection, for example), the above demonstration requirement is impossible to meet.

Finally, the costs associated with performing the required reviews and supporting the necessary review infrastructure must be recovered, as with any proposal or contract.

B. Procedures:

All proposals for a fee-for-service activity involving an academic unit will be reviewed and processed by the Office of Sponsored Programs (OSP) prior to submission to the sponsor to assure compliance with Federal, State, Regents, and campus rules and policies. And the procedures for submission of such proposals to OSP will be identical to those associated with the submission of proposals for externally-funded programs.

All fee-for-service contracts involving an academic unit will be reviewed by OSP prior to campus approval and execution. Procedures for this review will be identical to those associated with reviewing externally-funded program contracts prior to execution.

All fee-for-service contracts involving an academic unit will include Facilities and Administrative (F&A) charges (as defined in OMB A-21) in the budget, in addition to any General Administrative Recharge (GAR). Further, these F&A charges will be captured by a process defined by the VCAA or their designee. The F&A charges will be at least 5% of the contract amount (not including the GAR and F&A). The indirect-cost-recovery (ICR) generated by these F&A charges will be distributed only to the VCAA's organization.

Special provisions will be made available for any individual fee-for-service activity with a total budget of less than \$5000 and that does not involve the execution of a written contract (for example, a routine lab test). In such cases, the unit providing the service will simply file a short report with OSP prior to providing the service, assuring that the activity involves none of the seven attributes listed above. Service activities may not be carved into a set of smaller activities to artificially yield budgets less the \$5000 limit.

III. KEY WORDS

- A. Facilities and Administrative (F&A) Charges
- B. General Administrative Recharge (GAR)
- C. Indirect-cost-recover (ICR)

IV. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

- A. Administrative Policy Statements (APS) and Other Policies
 1. "Human Subject Protection," Code of Federal Regulations (CFR), Title 45, Part 46.
 2. "Animal Research Protection," Code of Federal Regulations (CFR), Title 9, Chapter 1, Subchapter A, Parts 1,2, and 3.
 3. "Biosafety," NIH Guidelines for Research.
 4. "Fiscal Issues on Sponsored Programs," Office of Management and Budget (OMB) Circular A-21
 5. "Definition of and Deposit of Funds for Gifts, Grants and Contracts," System Administrative Policy Statement (APS), (Revised Policy Draft), Sept. 2004.
- B. Procedures
- C. Forms
- D. Guidelines
- E. Other Resources (i.e. training, secondary contact information)
- F. Frequently Asked Questions (FAQs)

V. HISTORY

Initial policy approval	May 15, 2005
Revised	April 6, 2006