

Fee for Service Agreement Procedures

Rowan University has established procedures for an academic unit to conduct research and provide instruction, evaluation, or services to an external sponsor. In addition, academic units on campus may be approached to provide routine services to a sponsor on a fee-for-service basis. The following describes the process that needs to be followed by the academic unit so that the campus is able to demonstrate (e.g., to Federal, State, or University auditors) that appropriate procedures are in place to assure consistency and compliance with Federal and State rules and laws.

Fee-for-service work typically consists of the execution of a predefined or repetitive process or the production of a product that meets predefined specifications. The activity is not expected to add to the body of fundamental knowledge in a given field.

1. The following attributes determine whether a (proposed) project will be classified as a fee-for-service activity:
 - 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 University'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.
 - h. No subcontracts or pass-through funding to another entity may be contemplated.
2. 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 by the Vice President of Research.
3. Fee-for-service projects must be renewed bi-annually to ensure appropriate service rates are being used during that time.
4. Appropriate F&A (indirect) must be budgeted per Rowan's Federal F&A Rate Agreement and will be distributed per Rowan's F&A Distribution policy.

PROCEDURE FOR ESTABLISHING A FEE-FOR-SERVICE PROJECT

1. The Project Investigator (PI) submits internal approvals and obtains approval by the Department Chair, College Dean, and Director of the Office of Sponsored Programs. These approvals certify that the proposed fee-for-service activity will not adversely impact the educational and research activity of the department and college.
2. The Office of Sponsored Programs will negotiate an agreement with the sponsor with faculty consultation. OSP will forward it to the appropriate University offices for review and signature. The project can begin only when OSP returns a fully executed contract to the PI and sponsor.
3. Funds are managed by the Office of Sponsored Programs, including financial billing. It is the PI's responsibility to inform OSP when a service is complete so OSP can bill the sponsor.
 - a. OSP will not setup an initial budget prior to approval from the Director of Sponsored Programs.
 - b. Once funds have been received from the sponsor, the Banner fund will be updated, indirect will be charged, and the PI will have access to spend the remaining unrestricted funds.