

# **Policy for Conducting Fee-for-Service Projects at Rowan University**

## **Objective**

Rowan University has established procedures for an academic unit to conduct research and provide instructional or community 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 proposed policy 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.

## **Definition of Fee-for-Service Projects**

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. The following attributes determine whether a (proposed) project conducted by an academic unit will be classified as a fee-for-service activity:

1. No Federal funding may be involved (direct or under subcontract).
2. Award must be fixed price (no detailed budget required by sponsor).
3. Unexpended funds must not need to be returned to sponsor, and no auditing of expenditures by on or behalf of sponsor must be necessary.
4. Project must not involve human subjects, animals, biosafety issues, recombinant DNA, radioisotopes, or hazardous/toxic substances.
5. Project must not involve any proprietary data (sponsor's or the University's).
6. Project must provide a routine service at a fixed price, available to any customer in the general public.
7. No matching or cost sharing may be involved.
8. No subcontracts or pass-through funding to another entity may be contemplated.

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 Associate Provost for Research, in consultation with the Dean of the relevant College.

## **Procedure for Establishing a Fee-for-Service Project**

1. The project PI submits the usual Proposal Planning and Submission Form (now augmented to include a Fee-for-Service category), approved by the Department Chair and College Dean, to 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. No University indirect costs are charged for fee-for-service projects.
2. The Office of Sponsored Programs will provide standard contract templates for the project, or the sponsor's contract template may be used. The following verbiage must be appended to all contractual paperwork with the sponsor: "**ROWAN UNIVERSITY**

DOES NOT MAKE ANY REPRESENTATION WITH RESPECT TO AND DOES NOT WARRANT ANY INFORMATION PROVIDED UNDER THIS AGREEMENT, BUT SHALL FURNISH SUCH IN GOOD FAITH. WITHOUT RESTRICTING THE GENERALITY OF THE FOREGOING, ROWAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED WITH RESPECT TO THE INFORMATION WHICH MAY BE PROVIDED HEREUNDER, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ROWAN SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER RESULTING FROM RECEIPT OR USE OF THE INFORMATION BY THE RECEIVING PARTY.”

3. The fee-for-service contract should be submitted to the Office of Sponsored Programs who will forward it to the appropriate University offices for review and approval. The project can begin only when OSP returns a fully executed contract to the Department.
4. The accounting processes for fee-for-service activities differ markedly from the management of academic research accounts. The Department (academic unit) is entirely responsible for the financial management of the fee-for-service project. This includes requesting Banner account set-up, generating invoices, and interfacing with Accounts Receivable when funds are received. The Department can choose to request that the project PI budget for the financial management costs as part of the fee-for-service project. The University will periodically audit Departments’ fee-for-service accounts.
5. The Office for Sponsored Programs can provide templates for fee-for-service project invoices.

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