

POLICY MEMORANDUM

No. III-58

Service Agreements with Non-University Organizations/Individuals Involving the use of University Resources

The following policy and guidelines are to be followed with regard to establishing service agreements with non-University organizations/individuals utilizing University resources.

1. The University may enter into formal agreements for use of University resources with non-University organizations/individuals for non-research related services provided that such use does not conflict with University needs, costs associated with use, maintenance, and replacement of the equipment and resources are reimbursed, and is in the best interest of the University.
2. Faculty and staff members wishing to initiate service agreements with non-university organizations or individuals (at the University) must submit written requests through their department chair or center director for approval by the Office of Sponsored Programs.
3. Non-research related service agreements totaling less than \$50,000 may be initiated with private firms (excluding faculty consulting) to be performed utilizing University resources on campus by teaching and research staff. When the total amount exceeds \$50,000, the approval of the Chancellor is required. All service agreement forms must be obtained and submitted through the Office of Sponsored Programs.
4. When the service involves University-related research activity, formal grant or contract documents must be executed and processed through the Office of Sponsored Programs.
5. The service agreement must define and detail the kinds, amounts and total cost of all University employees, supplies, equipment and space to be used in conjunction with the work to be performed.
6. Departments controlling frequently used equipment, services, or space will establish unit prices (per sample, per hour, per day, etc.) for each facility or utility in accordance with Policy Memorandum III-51 and make them generally available. These prices will be set so as to (1) recover all campus costs including indirect costs and (2) be on a par with commercial enterprises in the same business. These prices will be reviewed no less than annually.
7. The minimum contractual amount for using University resources in the performance of service agreements is \$500.00.
8. Individual departments initiating the service agreements are responsible for the preparation of University invoice documents. Payments must be submitted to the Office of Sponsored Programs and the income generated distributed according to internal agreements established before the approval of the agreement. Normally, indirect costs will be recovered first, then direct; any excess recovery of cost will be shared among the units providing the service.

EFFECTIVE DATE: Immediately

RESPONSIBILITY: Department Chairs, Vice Provost for Global Learning, Vice Provost for Research, and Vice Chancellor for Administrative Services

BASIS: Business Policy and Procedure Manual, Section 405

A handwritten signature in black ink that reads "John F. Carney III". The signature is written in a cursive style with a large, sweeping flourish at the end.

John F. Carney III
Chancellor