

# **GENERAL GUIDELINES FOR CONDUCTING FEE-FOR-SERVICE ACTIVITIES**

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Office of the Vice-President (Research and International)



UNIVERSITY  
OF MANITOBA

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## Section 1: General Overview

The cost of conducting *Sponsored Research Projects* and *Technical Services Activities* at the University includes not only the Direct Costs of the research project or the technical services being offered, but also the Institutional Costs - which indirectly support the endeavors of University Researchers - and are often excluded from the budgeting process of the direct expenses. Although Institutional Costs (e.g. equipment maintenance or upgrade) cannot be attributed directly or easily to a research project or technical services contract, they are in fact “real costs” incurred by the University to provide the physical infrastructure (e.g. buildings and utilities) and administrative support (e.g. legal and financial) required for the conduct of research projects/services.

When Institutional Costs are not appropriately recovered in research funding, the University must cover these costs from other revenue sources – an action which can negatively affect other University operations. Therefore, when requesting research funding from sponsors or undertaking technical fee-for-services activities using University equipment and facilities, it is mandatory to incorporate the Institutional Costs directly into the charges to the *Client* according to the policy approved by the Board of Governors.

The *Institutional Costs of Research: Recovery and Distribution Policy* was adopted in May 2012 and updated in July 2013. The policy was created:

- to acknowledge that Institutional Costs are attributable to all research conducted at the University; and
- to provide a mechanism for the University to recover these Institutional Costs through clearly established Institutional Costs-rates.

The policy also establishes a consistent distribution of Institutional Costs-revenue in a manner that reflects an appropriate recognition of the costs of conducting research and *fee-for-service activities*. A complete copy of the policy is included in *Appendix A*.

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All *Sponsored Research Projects* (e.g. research grants, research contracts and clinical trials) include a detailed budget, research agreement and other associated contractual documents that are submitted to the Office of Research Services with a covering *Funding Application Approval Form (FAAF)* where the Institutional Costs are included according to the type of agreement in accordance with the policy. The *Researcher* portion of the Institutional Costs recovered according to the policy is returned to the *Researcher* annually in his/her designated *technical services fee-for-service Operating Fund (Fund A; described later in the document)*. Any unspent balance will be carried over at each year end. These funds can be used by the *Researcher* for any University approved research related expenses. The expectation is that the *Researcher* will use these funds strategically and in a timely fashion to support their research activities and programs and will not carry forward amounts from year to year without specific rationale for those carry over amounts that may be requested in writing by the VPRIO.

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Similar to the research project processes outlined above, all *Technical Services Activities* (more broadly referred to as *fee-for-service activities/FFSAs*) that are undertaken must also account for the Institutional Costs as per the policy. *FFSAs* differ from research projects in that these services are generally stand-alone/short-term testing or consulting activities where results are not normally being used in the course of traditional academic research (*i.e.* do not form the basis of a graduate student project or may not be publishable) and the services are generally being conducted to earn income for use in research-support.

The remaining sections of this document serve to provide guidance for undertaking any *fee-for-service activities/FFSAs* as part of business activities and the associated handling of income generated by those activities. *FFSAs* may be carried out by individual researchers/groups of researchers/and Centres or Institutes of the University of Manitoba (all herein referred to as the *Researcher*) as long as the party conducting the services has set up a *technical services fee-for service Operating Fund* for conducting the work (managing the expenses and receiving the payment).

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## **Section 2: Processes/Client Categories of Fee-for-Service Activities (FFSAs) *including Technical Services Activities (TSAs)***

*FFSAs* can be performed using one of three processes depending on the relationship of the *Client* to the University. The three primary types of *Clients* that *Researchers* would generally engage in *fee-for-service activities* would fall into one of the following categories:

**2.1 External Agencies, Governments, Institutes and Private Corporations** that rely on the outcomes of *FFSAs* for operational or commercial gain.

**2.2 External Post-Secondary Institutions (e.g. other Universities and Colleges) or Government Laboratories** that are contracting *FFSAs* solely for academic research purposes and are not using the outcomes for any form of commercial intent.

**2.3 Internal University of Manitoba Clients** who will be paying for the *FFSAs* using an internal *FOP* and are contracting the services in accordance with the budget set out in the research fund they are using to pay for the services.

**NOTE:** If you believe you have a potential *Client* that does not fit into one of these three categories, you must immediately discuss the situation with your *Faculty/Unit Business Manager* for guidance who will also be able to communicate concerns regarding categorization of *Clients* with the appropriate administrative unit to ensure that the proper process is followed prior to discussing services with the *Client*.

In the process for each respective category of *Client*, there are three primary components that must be included:

- i. ***Budget/Fee-Schedule*** – including Direct Costs and Institutional Costs as defined by the policy; and the ***Scope of Work*** (including specific deliverables) to be completed including a ***Schedule*** outlining the expectations for delivery.
  
- ii. ***Required Institutional Agreement*** – varies depending on the category of the *Client* and must be prepared and duly-executed accordingly. These are discussed in each example process to clarify which document applies to which scenario.

**NOTE:** *Fee-for-service* work cannot begin for any *external Client* until a duly-executed agreement (which serves to manage the institutional liability in undertaking the work) is in place. Agreements are appended to this guideline document only for ease of reference. Electronic versions are available on the University of Manitoba website.

- iii. ***Reporting and Invoicing*** – final component once the deliverables are prepared for the *Client*, and may only proceed if the proper institutional agreements are in place. Invoices will not be issued to any external party until a duly-executed agreement is on file with the issuing *Faculty/Unit Business Manager*.

The following sections detail the process for each category of *fee-for-service Client*.

## 2.1 External Agencies, Governments, Institutes and Private Corporations

Provision of *fee-for-service activities/FFSAs* to **External Agencies, Governments, Institutes and Private Corporations** requires a *technical services fee-for-service Operating Fund (FUND A)* that will be used to manage the cash flow for the service activities. This FOP can be used for each category of *fee-for-service Client* as outlined in this document (*i.e.* income from various category sources can be run through the same FOP) or, if preferred, a separate FOP may be established to segregate income from the various categories of *Clients*.

**Faculty/Unit Business Manager – NOTE:** In either situation, the revenue account (the ‘A’ in FOAP) used must correspond to the category of *fee-for-service Client*. A detailed list of the appropriate account types is provided in *Appendix E*.

Each year during the budgeting cycle, an estimate of *fee-for-service activities/FFSAs* income will be requested by the *Faculty/Unit Business Manager*. *This will trigger the advancement of budget* so that the researcher has the ability to fund operations prior to receiving payment for work being conducted.

### 2.1 – i. Budget/Fee-Schedule:

The *Budget/Fee-Schedule* is developed using whatever fee model is most appropriate to charge for the services. The budget could include a charge per test, charge per hour of personnel time, charge per hour for equipment rental or simply a lump sum charge that incorporates all of those elements.

The following is an example budget that identifies only the Direct Costs. The Direct Costs should include all “real direct costs” to carry out the work, any contingency amounts the *Researcher* feels are required to cover cost uncertainty and any margin that the *Researcher* feels is appropriate for the services being undertaken.

Any net of the total expenses for the work program subtracted from the Direct Costs will remain in the fund as surplus and will be available to the *Researcher* for use in “discretionary University-approved expenses for research support”.

If the expenses charged against the work exceed the total charge to the *Client* resulting in a net deficit, the party conducting the work is responsible to cover that deficit through any existing funds in the *FUND A*; if funds are not available, the responsibility falls to the Faculty/Unit.

The net will remain in the *Researcher's FUND A* following completion of the services and will be eligible for 100% *carryover*. The *Researcher* will be responsible for any Direct Cost overruns through *FUND A*.

<b>Item:</b>	<b>Unit:</b>	<b>Unit Cost:</b>	<b>Total:</b>
Technician Time	50 hours	\$100 / hour	\$5,000
Lab Test	5 tests	\$1,000 / test	\$5,000
Consumables	Lump Sum	\$10,000	\$10,000
Subtotal :			\$20,000

Budget table for Direct Costs itemized charges only

As per the *Institutional Costs Policy* document, all standard *Technical Services Agreements (TSAs)* to external organizations for commercial purposes require 40% Institutional Costs recovery that must be included in the unit costs for all itemized charges and should not appear separately in the budget for the *proposed* scope of work. The full amount of the Institutional Costs recovered from *TSAs* shall be distributed to the *Researcher's* Dean or Director to be used only for the maintenance, repair and upgrade of the research infrastructure and equipment.

The Institutional Costs are recovered in a protected fund managed by the Faculty/Unit *FUND B* that ensures the funds are only spent for the purposes outlined in the policy. As such the budget would then be modified to the FINAL budget shown below where the 40% Institutional Costs are *incorporated directly into* the Unit Costs presented to the *Client*. The Institutional Costs are calculated by simply multiplying the Direct Costs by 40%. The total costs then become the addition of the original Direct Costs and the calculated Institutional Costs.

Item:	Unit:	Unit Cost:	Total:
Technician Time	50 hours	\$140 / hour	\$7,000
Lab Test	5 tests	\$1,400 / test	\$7,000
Consumables	Lump Sum	\$14,000	\$14,000
Subtotal :			\$28,000

Budget table for Direct Costs itemized charges including Institutional Costs portion

This budget incorporating the Institutional Costs is the ONLY budget that should be provided to the *Client* and is also the ONLY budget that should be attached to the *TSA*. When the project is invoiced, the revenue/monies received from the *Client* will be split according to the policy with the Direct Costs (\$20,000) going to the *Researcher's FUND A* to then be used to pay for the direct expenses in carrying out the work (with any net remainder being retained as "cash flow") and is eligible for 100% *carryover* annually. This allows *Researchers* to build a modest working cash flow in *FUND A* to be used for any authorized University expenditures to support their research endeavors. The Institutional Costs portion (\$8,000) is placed in the Faculty's/Unit's *FUND B* to be used for the restricted expenses by the Faculty/Unit for laboratory and equipment maintenance as outlined in the policy.

Once the *Budget/Fee-Schedule* is prepared it can be reviewed and negotiated with the *Client* "informally" along with an itemized *Scope of Work* and proposed schedule for carrying out the work including the timing for providing the final deliverables.

**NOTE:** Any negotiations regarding the above are "non-binding" and are only for the purposes of establishing an agreed-upon work program.

Any negotiations in regards to the charges for the work are left to the discretion of the *Researcher*, however, the 40% Institutional Costs are *non-negotiable* and will be collected from the final approved total charges. Therefore, the only "negotiable charges" are for the direct expenses, contingency and any margin included by the *Researcher*.

**2.1 – ii. Required Institutional Agreement:  
Technical Services Agreement (TSA)**

Once the *Budget/Fee-Schedule* has been agreed upon “informally”, a *Technical Services Agreement (TSA)* must be completed/duly-executed by both parties and is mandatory before beginning any work. This agreement is included in *Appendix B* and a copy can be obtained directly from the website of the Office of Research Services or the Office of Legal Counsel.

The critical considerations for completing the *TSA* are as follows:

**A.** The *TSA template* is a protected document which identifies the requested information that must be provided by the *Researcher* to complete the form.

**NOTE:** Changes to the standard agreement form (outside of the clearly indicated fillable portions) are *not allowed* without the approval of the Office of Legal Counsel. Changes must be sent to the Office of Legal Counsel using a Contract Routing Form.

In addition to the information requested in the main agreement section, the *Researcher* must provide the detailed *Scope of Work* in *Schedule A* and the payment terms/schedule in *Schedule B*. The scope of work must provide specific information on what service is being provided (and in some cases, specifics as to what service is *not* being provided) and have a clear relationship to the charges identified in the budget.

**B.** If the *Client* is in agreement with the terms and conditions and the content of the attached schedules in the standard protected form, then the agreement can be signed by the *Unit Signing Authority (Faculty Dean)* provided the total contract amount is less than \$100,000.

Any contracts over \$100,000 must be routed through the Office of Legal Counsel directly for signature by the *authorized Vice-President*. If the *Client* requires any changes to the terms or the agreement outside of those allowed in the standard protected form then, the *Researcher* must work directly with the Office of Legal Counsel to modify the standard agreement. Details for both of these scenarios regarding the signing of agreements are outlined in the attached *Signing of Agreements Policy and Procedures* document included in *Appendix C*.

**C.** Once the required process has been followed, the *Unit Signing Authority (Faculty Dean)* should arrange to have enough copies of the final signed agreement prepared so that each party to the agreement may keep an original copy. The University’s “original copy” should be forwarded to the Office of Legal Counsel for filing and a copy retained by the *Faculty/Unit Business Manager* for record-keeping purposes.

### 2.1 – iii. Reporting and Invoicing:

Once a duly-executed *Technical Service Agreement* is in place, the *Scope of Work* can begin. The *Researcher* should advise the *Faculty/Unit Business Manager* of any milestone payments that require an invoice to be issued as the work progresses (as outlined in *Schedule B* of the agreement). Once the work is completed and the final milestones (e.g. test results, reports) have been delivered to the *Client*, the *Faculty/Unit Business Manager* should be notified so that a FINAL invoice for all outstanding amounts is issued to the *Client* for payment in accordance with the agreement.

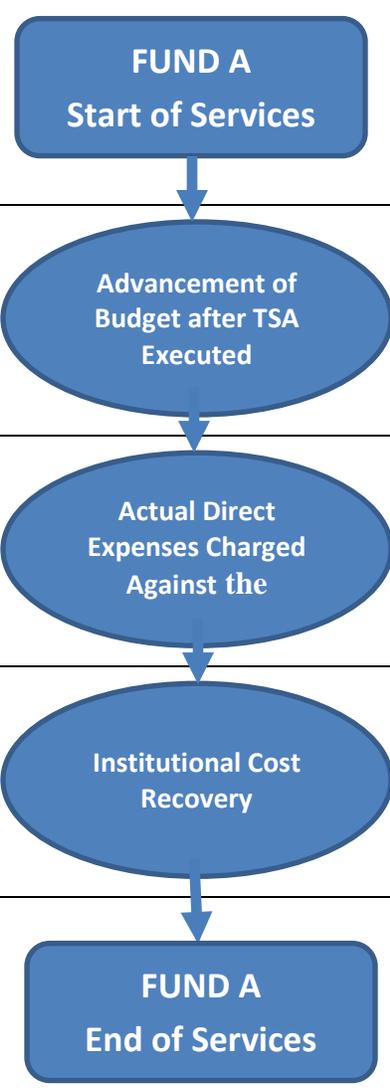
The *Faculty/Unit Business Manager* will ensure the split of the funds between *FUND A* (Direct Costs) and *FUND B* (Institutional Costs) is handled during the invoicing phase. The *Faculty/Unit Business Manager* will also ensure that the *TSA* for the work being invoiced is on file and will highlight that point in the “notes-section” of the invoice. The *Faculty/Unit Business Manager* will also ensure that the proper Account (the ‘A’ in FOAP) is used to reflect that the revenue is associated with external technical services using a *TSA*.

(The *Revenue Account ‘A’* code for *External Agencies, Governments, Institutes and Private Corporations* is **External TSA FFSA 522023**)

Once the funds are invoiced for the full amount of the contract, the Direct Costs portion of the total amount are credited to the *Researcher’s FUND A* and the Institutional Costs portion of the total amount to the *Unit FUND B*. Since the expenses that were charged for the Direct Costs of carrying out the services were debited against *FUND A*, the surplus (or deficit) that will remain in the fund will be the total Direct Cost fees charged minus the direct expenses. All net funds retained in *FUND A* from *Technical Services Agreements* are eligible for 100% carryover.

The following illustration (Figure 1.) shows Cash flow associated with conducting FFSA for External agencies, governments, institutes and private corporations.

**(Figure 1.)** Cash flow associated with conducting FFSA's for external agencies, governments, institutes and private corporations

	<b>Cash Flow</b>	<b>Balance</b>
 <p><b>FUND A</b> Start of Services</p>		\$10,000
<p>Advancement of Budget after TSA Executed</p>	+ \$28,000	\$38,000
<p>Actual Direct Expenses Charged Against the</p>	(20,000)	\$18,000
<p>Institutional Cost Recovery</p>	(8,000)	\$10,000
<p><b>FUND A</b> End of Services</p>		\$10,000

This example assumed that no margin is built into the direct expenses such that the actual expenses are equal to the direct expenses charged. If the actual expenses are less than the direct expenses, then the balance would show a net increase associated with the margin captured at the end of the work. The \$8,000 Institutional Costs shown above would be credited to the Faculty/Unit *FUND B*.

## 2.2 External Post-Secondary Institutions (e.g. other Universities and Colleges) or Government Laboratories

Provision of *fee-for-service activities/FFSAs* to **External Post-Secondary Institutions or Government Laboratories** requires a *technical services fee-for-service Operating Fund (FUND A)* that will be used to manage the cash flow for the service activities. This FOP can be used for *all categories of Clients* as outlined in this document (*i.e.* income from various category sources can be run through the same FOP) or, if preferred, a separate FOP may be established to segregate income from the various categories of *Clients*.

**Faculty/Unit Business Manager – NOTE:** In either situation, the revenue account (the ‘A’ in FOAP) used must correspond to the category of *fee-for-service Client*. A detailed list of the appropriate account types is provided in *Appendix E*.

Each year during the budgeting cycle, an estimate of *fee-for-service activities/FFSAs* income will be requested by the *Faculty/Unit Business Manager*. *This will trigger the advancement of budget* so that the researcher has the ability to fund operations prior to receiving payment for work being conducted.

### 2.2 – i. Budget/Fee-Schedule:

The *Budget/Fee-Schedule* is developed using whatever fee model is most appropriate to charge for the services. The budget could include a charge per test, charge per hour of personnel time, charge per hour for equipment rental or simply a lump sum charge that incorporates all of those elements.

The following is an example budget that identifies only the Direct Costs. The Direct Costs should include all “real direct costs” to carry out the work, any contingency amounts the *Researcher* feels are required to cover cost uncertainty and any margin that the *Researcher* feels is appropriate for the services being undertaken.

Any net of the total expenses for the work program subtracted from the Direct Costs will remain in the fund as surplus and will be available to the *Researcher* for use in “discretionary University-approved expenses for research support”.

If the expenses charged against the work exceed the total charge to the *Client* resulting in a net deficit, the party conducting the work is responsible to cover that deficit through any existing funds in the *FUND A*; if funds are not available, the responsibility falls to the Faculty/Unit.

The net will remain in the *Researcher's FUND A* following completion of the services and will be eligible for *100% carryover*. The *Researcher* will be responsible for any Direct Cost overruns through *FUND A*.

<b>Item:</b>	<b>Unit:</b>	<b>Unit Cost:</b>	<b>Total:</b>
Technician Time	50 hours	\$100 / hour	\$5,000
Lab Test	5 tests	\$1,000 / test	\$5,000
Consumables	Lump Sum	\$10,000	\$10,000
Subtotal :			\$20,000

Budget table for Direct Costs itemized charges only

In this category of *Client*, there are no Institutional Costs applied to the budget and the full amount (100%) of the charges is credited to the *fee-for-service FUND A* to cover the direct expenses to complete the *Scope of Work*.

Once the *Budget/Fee-Schedule* is prepared it can be reviewed and negotiated with the *Client* “informally” along with an itemized *Scope of Work* and proposed schedule for carrying out the work and providing the final deliverables.

**NOTE:** Any negotiations regarding the above are “non-binding” and are only for the purposes of establishing an agreed-upon work program.

Any negotiations in regards to the charges for the work are left to the discretion of the *Researcher*.

**2.2 – ii. Required Institutional Agreement:  
*Institution-to-Institution Disclaimer***

Once the *Budget/Fee-Schedule* has been agreed upon “informally”, an *Institution-to-Institution Disclaimer* must be shared with the contracting University, College or Government Laboratory to ensure the work is going to fall within the scope of what the disclaimer allows for final use. A copy of the general disclaimer is included in *Appendix D*.

**NOTE:** The *Client-Institution* must be informed that the *Institution-to-Institution Disclaimer* will be included in all reported materials during the *Scope of Work* definition phase - in case they have any concerns over the content of that disclaimer - which limits the use of the results for academic purposes only (*i.e. not for “commercial use”*).

If the *Client-Institution* needs to use the results for purposes outside those identified in the disclaimer, then the work should be done under a duly-executed *Technical Services Agreement* following the process outlined in section 2.1 including the charging of institutional costs.

**2.2 – iii. Reporting and Invoicing:**

Once the *Institution-to-Institution Disclaimer* has been agreed to by the Client, the *Scope of Work* can begin. The *Researcher* should advise the *Faculty/Unit Business Manager* of any milestone payments that require an invoice to be issued as the work progresses (as agreed upon between the *Client* and the *Researcher*). Once the work is completed and the final milestones (e.g. test results, reports) have been delivered to the *Client*, the *Faculty/Unit Business Manager* should be notified so that a FINAL invoice for all outstanding amounts is issued to the *Client-Institution* for payment in accordance with the agreement.

The *Faculty/Unit Business Manager* will ensure that the *Institution-to-Institution Disclaimer* for the work being invoiced is included in the “notes-section” of the invoice. The *Faculty/Unit Business Manager* will also ensure that the proper Account (the ‘A’ in FOAP) is used to reflect that the revenue is associated with post-secondary *Institution-to-Institution* services.

(The Revenue Account ‘A’ code for *External Post-Secondary Institutions and Government Laboratories* is **Post-Secondary FFSA 522024**)

**NOTE:** When issuing any written deliverables (e.g. report, test results) the standard *Institution-to-Institution Disclaimer* must be included on all written documents; the disclaimer is to be added to the invoice in the “notes-section” by the *Unit Business Manager* issuing the invoice.

Once the funds are invoiced for the full amount of the contract, 100% of the total amount will be credited to the *Researcher FUND A*. Since the expenses that were charged for the Direct Costs of carrying out the services were debited against *FUND A*, the surplus (or deficit) that will remain in the fund will be the total invoice amount minus the direct expenses.

All net funds retained in *FUND A* from *Institution-to-Institution fee-for-service activities* are eligible for 100% carryover.

The following illustration (Figure 2.) shows Cash flow associated with conducting FFSA's for external post-secondary institutions or government laboratories.

**(Figure 2.)** Cash flow associated with conducting FFSA's for external post-secondary institutions or government laboratories

	<b>Cash Flow</b>	<b>Balance</b>
<p><b>FUND A</b> Start of Services</p>		\$10,000
<p>Advancement of Budget after TSA Executed</p>	+ \$20,000	\$30,000
<p>Actual Direct Expenses Charged Against the</p>	(20,000)	\$10,000
<p>Institutional Cost Recovery</p>	N/A	\$10,000
<p><b>FUND A</b> End of Services</p>		\$10,000

This example assumed that no margin is built into the direct expenses such that the actual expenses are equal to the direct expenses charged. If the actual expenses are less than the direct expenses, then the balance would show a net increase associated with the margin captured at the end of the work.

## 2.3 Internal University of Manitoba Clients

Provision of *fee-for-service activities/FFSAs* to Internal University of Manitoba clients (may only be charged to research and special funds) requires a *technical services fee-for-service Operating Fund (FUND A)* that will be used to manage the cash flow for the service activities. This FOP can be used for *all categories of Clients* as outlined in this document (*i.e.* income from various category sources can be run through the same FOP) or, if preferred, a separate FOP may be established to segregate income from the various categories of *Clients*.

***Faculty/Unit Business Manager – NOTE:*** In either situation, the revenue account (the 'A' in FOAP) used must correspond to the category of *fee-for-service Client*. A detailed list of the appropriate account types is provided in *Appendix E*.

Each year during the budgeting cycle, an estimate of *fee-for-service activities/FFSAs* income will be requested by the *Faculty/Unit Business Manager*. *This will trigger the advancement of budget* so that the researcher has the ability to fund operations prior to receiving payment for work being conducted.

### 2.3 – i. Budget/Fee-Schedule:

The *Budget/Fee-Schedule* is developed using whatever fee model is most appropriate to charge for the services. The budget could include a charge per test, charge per hour of personnel time, charge per hour for equipment rental or simply a lump sum charge that incorporates all of those elements.

The following is an example budget that identifies only the Direct Costs. The Direct Costs should include all “real direct costs” to carry out the work, any contingency amounts the *Researcher* feels are required to cover cost uncertainty and any margin that the *Researcher* feels is appropriate for the services being undertaken.

Any net of the total expenses for the work program subtracted from the Direct Costs will remain in the fund as surplus and will be available to the *Researcher* for use in “discretionary University-approved expenses for research support”.

If the expenses charged against the work exceed the total charge to the *Client* resulting in a net deficit, the party conducting the work is responsible to cover that deficit through any existing funds in the *FUND A*; if funds are not available, the responsibility falls to the Faculty/Unit.

The net will remain in the *Researcher's FUND A* following completion of the services and will be eligible for *100% carryover*. The *Researcher* will be responsible for any Direct Cost overruns through *FUND A*.

<b>Item:</b>	<b>Unit:</b>	<b>Unit Cost:</b>	<b>Total:</b>
Technician Time	50 hours	\$100 / hour	\$5,000
Lab Test	5 tests	\$1,000 / test	\$5,000
Consumables	Lump Sum	\$10,000	\$10,000
Subtotal :			\$20,000

Budget table for Direct Costs itemized charges only

In this category of *Client*, there are no Institutional Costs applied to the budget and the full amount (100%) of the charges is credited to the *fee-for-service FUND A* to cover the direct expenses to complete the *Scope of Work*.

Once the *Budget/Fee-Schedule* is prepared it can be reviewed and negotiated with the *Client* “informally” along with an itemized *Scope of Work* and proposed schedule for carrying out the work and providing the final deliverables.

**NOTE:** Any negotiations regarding the above are “non-binding” and are only for the purposes of establishing an agreed-upon work program.

Any negotiations in regards to the charges for the work are left to the discretion of the *Researcher*.

### 2.3 – ii. Required Institutional Agreement: N/A (Written “Understanding of the Work Program”)

Although a formal *Budget, Scope of Work* and *Schedule* is not required for *Internal Clients*, it is good practice to follow the same processes outlined above in developing a written “*Understanding of the Work Program*” between parties. The level of detail will reflect the length of relationship between the parties, history of similar services being performed and complexity of the services.

### 2.3 – iii. Reporting and Invoicing:

Once a written “*Understanding of the Work Program*” is in place, the *Scope of Work* can begin. The *Researcher* should advise the *Faculty/Unit Business Manager* of any milestone payments that require an invoice to be issued as the work progresses (as agreed upon between the *Client* and the *Researcher* - this is unusual for internal *Clients* but may be necessary depending on the scale of the expenses). Once the work is completed and the final milestones (e.g. test results, reports) have been delivered to the *Client*, the *Faculty/Unit Business Manager* should be notified so that an internal ID charge can be processed to:

- Debit the *Client Research FOP* being used to pay for the services (using the *Expense Account ‘A’* code for **Internal Expenses for FFSA 711601**)
- Credit the *Service Provider technical services fee-for- service Operating Fund (FUND A)* FOP with the total service charge amount.

(The *Revenue Account ‘A’* code for *Internal University of Manitoba Clients* is **Internal FFSA 532017**)

**NOTE:** The *fee-for-service expenditure* must be part of the approved budget for the *Research fund* as per the original research sponsor agreement. The *Faculty/Unit Business Manager* will ensure that the proper account is identified to indicate that the revenue is correctly reflected as internal fee-for service income.

Once the funds are received for the full amount of the contract, 100% of the total amount will be credited to the *Researcher FUND A*. Since the expenses that were charged for the Direct Costs of carrying out the services were debited against *FUND A*, the surplus (or deficit) that will remain in the fund will be the total invoice amount minus the direct expenses. All net funds retained in *FUND A* from *Institution-to-Institution fee-for-service activities* are eligible for (100%) *carryover*.

The following illustration (Figure 3.) shows Cash flow associated with conducting FFSA for internal University of Manitoba clients.

**(Figure 3.)** Cash flow associated with conducting FFSA's for internal University of Manitoba clients

	<b>Cash Flow</b>	<b>Balance</b>
<p><b>FUND A</b> Start of Services</p>		\$10,000
<p>Advancement of Budget after TSA Executed</p>	+ \$20,000	\$30,000
<p>Actual Direct Expenses Charged Against the FUND</p>	(20,000)	\$10,000
<p>Institutional Cost Recovery</p>	N/A	\$10,000
<p><b>FUND A</b> End of Services</p>		\$10,000

This example assumed that no margin is built into the direct expenses such that the actual expenses are equal to the direct expenses charged. If the actual expenses are less than the direct expenses, then the balance would show a net increase associated with the margin captured at the end of the work.

### Section 3: Concluding Commentary

The processes described above are intended to provide any individual researchers, groups of researchers, and Centres or Institutes with a quick reference to procedures that should be followed to carry out *fee-for-service activities* for the three categories of *Clients* that represent a majority of situations. This is a guideline document only and all parties conducting *fee-for-service activities* are reminded that the formal policy documents – as referred to in this commentary (e.g. *Institutional Costs of Research Policy; Signing of Agreements Policy*) – are provided on the University of Manitoba governance website and serve as the official policies that must be adhered to.

Any contradictions or errors in this guideline as compared to the official policies should be reported to the Vice-President (Research & International) Office (*VPRIO*) as soon as possible for correction. If there are any questions regarding the categorization of a *Client*, advice should be sought from the *Faculty/Unit Business Manager* who will clarify prior to proceeding with the appropriate process.

At this time, all funds that are retained in the *technical services fee-for-service Operating Fund (FUND A)* as described in the three processes) are eligible for 100% of the funds remaining at year-end to be carried forward to the subsequent year. It is important to recognize that the purpose of conducting and supporting *fee-for-service activities* includes both academic value as well as operational value. Bearing this in mind, the expectation is that the funds remaining be used for continuing the support of ongoing lab operations and maintenance, as well as other University-approved activities and, as such, should not be treated as long-term bank accounts with continuing accumulated funds.

Any *technical services fee-for-service Operating Fund (FUND A)* FOAPs showing a year-end balance that exceeds 50% of the annual cash flow (total charges moving into the fund) will require submission of a plan for the extended carryover amounts that exceed 50%. If the rationale is not considered acceptable, the amount that exceeds the 50% may not be allowed.

**NOTE:** *Capital Purchase Funds* can be set-up for those cases where funds from *fee-for-services activities* are planned to be combined for the purchase of a large piece of research equipment or planned capital development of space as approved in advance by the Faculty/Unit.

## **Appendix A**

### **Institutional Costs of Research: Recovery and Distribution Policy**

## UNIVERSITY OF MANITOBA POLICY

<b>Policy:</b>	<b>INSTITUTIONAL COSTS OF RESEARCH: RECOVERY AND DISTRIBUTION</b>
<b>Effective Date:</b>	May 22, 2012
<b>Revised Date:</b>	July 2, 2013
<b>Review Date:</b>	May 22, 2022
<b>Approving Body:</b>	Board of Governors
<b>Authority:</b>	
<b>Responsible Executive Officer:</b>	President
<b>Delegate:</b>	Vice-President (Research and International)
<b>Contact:</b>	Director, Office of Research Services
<b>Application:</b>	External Parties: Research Sponsors; Employees: Faculty, Adjunct Appointments, Nil-Salaried Appointments, GFTs, Department Heads, Deans and Directors

### Part I Reason for Policy

- 1.1 To acknowledge that Institutional Costs are attributable to all research conducted at the University; and to provide a mechanism for the University to recover these Institutional Costs through clearly established Institutional Cost rates.
- 1.2 To establish a consistent distribution of Institutional Costs revenue in a manner that reflects an appropriate recognition of the costs of conducting research.

### Part II Policy Content

#### Introduction and Scope

- 2.1 The cost of conducting research at the University includes not only the Direct Costs of the research project, but also the Institutional Costs, which indirectly support the research of University researchers, but are often not included in the budgeting process. Institutional Costs cannot be attributed directly or easily to a research project, but are real costs incurred by the University to provide the infrastructure and support required for the conduct of research. If Institutional Costs are not recovered in research project funding, the University must cover these costs from other revenue sources, which can negatively affect other University operations. It is therefore important when requesting research funding from sponsors to include Institutional Costs in the Budget.

- 2.2 This Policy applies to all Agreements (as defined in subsection 2.3.b) except:
- (a) Research Grants from the Tri-Councils (Canadian Institutes of Health Research, Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council); and
  - (b) the associated annual allocations provided by the Tri-Councils towards the indirect costs of research because of its unique eligibility and reporting requirements.

### **Definitions**

- 2.3 The following terms have the following defined meanings for the purpose of this Policy and its Procedures.
- (a) **Academic Unit** means any University faculty or school, with the exception of schools within a faculty; such schools shall be treated as a department for the purposes of this Policy.
  - (b) **Agreement** means, collectively, a Clinical Trial Agreement, Research Contract, Research Grant and Technical Services Agreement.
  - (c) **Budget** means the detailed statement submitted to the sponsor outlining the estimated research project costs to support sponsored research.
  - (d) **Clinical Trial Agreement** means an agreement between the University and a sponsor to perform, on behalf of the sponsor and in exchange for payment of costs, prospective biomedical assessments on human subjects, predominantly patients, designed to answer specific questions about biomedical or behavioral interventions.
  - (e) **Direct Costs** means the budgeted expenditures for carrying out a research project at the University except, normally, for the salary of the researcher(s). Direct Costs may include per diem payments to the researcher, the salaries of research assistants and stipends for graduate students, equipment and supplies costs, travel and publication costs and other costs allowed by the sponsor.
  - (f) **Institutional Costs** means University expenditures incurred to benefit and support research for which it is not possible to provide an exact itemization of the cost attributable to an individual research project. Institutional Costs are real costs to the University, and include, without limitation, building use and depreciation, utilities, maintenance and upgrade of library resources, computer and network support, management and administration of research, financial services (including purchasing and accounting), legal services, human resource services, technology transfer office services, regulatory and research compliance (including research ethics, human ethics, animal ethics, and biohazard certification), hazardous waste disposal, controlled goods, radiation safety, occupational safety, campus security and liability insurance.
  - (g) **Research Contract** means an agreement between the University and a sponsor to perform research and research-related activities on behalf of the sponsor, in exchange for payment of costs. For the purpose of the Policy, Research Contracts do not include Clinical Trial Agreements, which are addressed separately.

- (h) **Research Grant** means funds that are awarded by a sponsor to perform research and research-related activities without contractual terms or obligations.
- (i) **Technical Service Agreement** (also known as a Fee-for-Service Agreement) means an agreement that does not involve the undertaking of research but rather the use of existing knowledge, skills or expertise to provide a service for a sponsor.

## **Principles**

- 2.4 Funding for research projects must cover all of the costs of doing research, except, normally, the salary of the researcher. Since the total cost of research is made up of both Direct Costs and Institutional Costs, researchers must include in the Budget an allowance for Institutional Costs at the rates established by the University in this Policy.
- 2.5 Reducing or omitting Institutional Costs in a Budget with the expectation that the University will absorb the costs is inappropriate, since the University does not have the financial resources to subsidize sponsored research.

## **Institutional Cost Rates**

- 2.6 Institutional Costs will be recovered at the following rates:
  - (a) Research Contracts: 30%
  - (b) Clinical Trial Agreements: 30%
  - (c) Technical Service Agreements: 40%
  - (d) Research Grants: 15%

## **Calculation of Institutional Costs**

- 2.7 Institutional Costs are charged as a percentage of the total Direct Costs.
- 2.8 Exceptions:
  - (a) The University will accept modified Institutional Costs rates from government and non-profit agencies, provided the modified rates are published and there is sufficient evidence that the modified rates are applied to all Canadian universities.
  - (b) In all other instances, approval of the Vice-President (Research and International) is required for any exception to the Institutional Costs rates set out in this Policy. Requests for exceptions must be made in writing to the Director of the Office of Research Services, with support from the Dean or Director of an Academic Unit and from the Department Head for Academic Units with Departments. Requests for exceptions must include an explanation as to why the exception should be considered. The Director of the Office of Research Services will in turn forward the request to the Vice-President (Research and International) for consideration.

## **Distribution of Institutional Costs Revenue**

- 2.9 In order to support and promote sponsored research, and to assist Academic Units and researchers in offsetting Institutional Costs in connection with research, Institutional Costs revenue will be distributed as follows:
- (a) The distribution of Institutional Costs recovered from Research Contracts, Clinical Trial Agreements, and Research Grants shall be as follows:
    - (i) Academic Unit: 50% to be distributed as follows:
      - (1) Researcher: 50% (or 25% of the total)
      - (2) Researcher's Dean or Director: 20% (or 10 % of the total)
      - (3) Researcher's Department Head: 30% (or 15% of the total)
      - (4) For Academic Units without departments: 30% (or 15% of the total) shall be distributed to the researcher's Dean or Director so that the total amount distributed to the Dean or Director under this subsection 2.17(a)(i) shall be 50% (or 25% of the total).
    - (ii) University Administration: 30%
    - (iii) Vice-President (Research and International) to support research development: 20%
- 2.10 The full amount of the Institutional Costs revenue recovered from Technical Service Agreements shall be distributed to the researcher's Dean or Director to be used only for the maintenance, repair and upgrade of the research infrastructure and equipment in the researcher's laboratory.

## **Use of University Resources for Outside Professional Activities**

- 2.11 When University researchers engage in outside professional activities, such as consulting, involving the use of University facilities, supplies or services, the researcher must inform the relevant Department Head, or Dean or Director for Academic Units without departments, and enter into a written agreement to pay the University the costs of the use at prevailing rates set by the University.

## **Part III Accountability**

- 3.1 The Office of Legal Counsel is responsible for advising the President that a formal review of this Policy is required.
- 3.2 The Vice-President (Research and International) is responsible for the implementation, administration and review of this Policy.
- 3.3 External Parties: Research Sponsors; Employees: Faculty, Adjunct Appointments, Nil-Salaried Appointments, GFTs, Department Heads, Deans and Directors are responsible for complying with this Policy.

**Part IV**  
**Authority to Approve Procedures**

- 4.1 The Vice-President (Research and International) may approve Procedures, if applicable, which are secondary to and comply with this Policy.

**Part V**  
**Review**

- 5.1 Governing Document reviews shall be conducted every ten (10) years. The next scheduled review date for this Policy is May 22, 2022.
- 5.2 In the interim, this Policy may be revised or repealed if:
- (a) the President or Approving Body deems it necessary or desirable to do so;
  - (b) the Policy is no longer legislatively or statutorily compliant; and/or
  - (c) the Policy is now in conflict with another Governing Document.
- 5.3 If this Policy is revised or repealed all Secondary Documents will be reviewed as soon as reasonably possible in order to ensure that they:
- (a) comply with the revised Policy; or
  - (b) are in turn repealed.

**Part VI**  
**Effect on Previous Statements**

- 6.1 This Policy supersedes all of the following:
- (a) Recovery of Indirect Costs Policy;
  - (b) Distribution of Indirect Cost Income Policy;
  - (c) all previous Board of Governors/Senate Governing Documents on the subject matter contained herein; and
  - (d) all previous Administration Governing Documents on the subject matter contained herein.

**Part VII**  
**Cross References**

- 7.1 This Policy should be cross referenced to the following relevant Governing Documents, legislation and/or forms:
- (a) [Research Agreement Policy](#);
  - (b) [Research Agreements Procedure](#).

## **Appendix B**

### **Standard Technical Services Agreement**

## CONTRACT SERVICES AGREEMENT

THIS AGREEMENT made the            day of            , 20            .

BETWEEN:

*[enter client's legal name]*  
(the "Client")

- and -

**The University of Manitoba,**  
a corporation under The University of Manitoba Act (Manitoba)  
(the "University")

**WHEREAS** the University and the Client wish to enter into this services agreement (the "Agreement") to have the University perform services for the Client in accordance with the terms of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants of the parties set forth in this Agreement and other good and valuable consideration, the University and the Client agree as follows:

**1. UNIVERSITY TO PERFORM SERVICE** – The University as an independent contractor, will perform the review, test or other academic or technical service outlined in Schedule "A" (the "Service") and will use reasonable efforts to complete such service according to the timeline outlined in Schedule "A". The Service does not include the provision of improvements, additions or changes to any information, product or technique which is the subject of the Service or the provision of solutions to problems identified in such information, product or techniques as a result of the provision of the Service. The Service will be performed under the direction of a *[enter Project Lead's job title]* of the University's *[enter Project Lead's department]*.

**2. PAYMENT** - The Client will pay to the University the service fee provided in Schedule B (the "Service Fee") in accordance with the payment provisions set forth in Schedule B.

**3. CONFIDENTIALITY** - Each of the University and the Client may disclose information it considers confidential to the other to facilitate the Service. Each party will use all reasonable efforts to treat and keep confidential, and cause its officers, servants, students and employees to treat and keep confidential, any such information received by it from the other marked "Confidential" and in no event will such efforts be less than the degree of care and discretion the recipient exercises in protecting its own confidential information. Any such information will be disclosed within the recipient's organization on a "need to know" basis. Except as otherwise permitted pursuant to Section 7 the University will use all reasonable efforts to treat and to cause all officers, servants and employees of the University to treat as strictly confidential all Service Results.

**4. EXCLUSIONS FROM CONFIDENTIALITY** – The obligations regarding confidentiality set out in section 4 shall not apply to information which:

- (a) was in the recipient's possession before receipt from the disclosing party, as established by written records;
- (b) is or becomes a matter of public knowledge without breach of the Agreement by the recipient;
- (c) is received by the recipient from a third party which had no duty of confidentiality with respect to it;
- (d) is independently developed by the recipient, as established by written records;
- (e) is required to be disclosed by law or valid court order, or
- (f) is disclosed by the recipient with the disclosing party's prior written approval.

**5. SERVICE RESULTS** - Service Results mean any and all conclusions and information on which the

same are based, developed in the provision of the Service, including compilations, notes, data and reports. Service Results do not include background intellectual property or intellectual property developed by or utilized by the University in the provision of the Service, the Client acquiring no interest in, or right to use, any such intellectual property as a result of this Agreement. "Background Intellectual Property means proprietary or confidential information of the University to facilitate the Services and includes methods, techniques, processes or computer codes or other background intellectual property utilized by the University for the conduct of the Services, and which may or may not be required in order to practice the Service Results.

**6. OWNERSHIP AND USE** - Subject to the rights of the University pursuant to this Section 6 and Section 7, all Service Results will be the property of the Client. The Client grants to the University a non-exclusive, perpetual, royalty free license to use the Service Results without identification of, or connection to, the Client for teaching and non-commercial internal research purposes.

**7. PUBLICATION OF SERVICE RESULTS** - The University will be entitled, after giving the Client sixty (60) days to review any proposed publication of Service Results to publish and/or to present at conferences, workshops or symposia, or to allow others to publish or present, the Service Results or any portion thereof without identification of, or connection to, the Client. Notwithstanding the foregoing provisions of this Section 7 or the provisions of Section 6, neither permission for comments nor submission to the Client prior to publication is required at any time on or after the earlier of three (3) months following the submission of the Service Results to the Client or the publication of the Service Results or any edited, revised or partial version thereof by the Client or the University or a person allowed by either to publish. Should the Client at any time publish the Service Results in its entirety, the University and all investigators of the University designated by it will be identified in such publication.

**8. EXCUSABLE DELAY** – No liability shall be incurred by the University for delay in progress of the Services, or damages suffered or non-performance by the University of its obligations hereunder, as a result of any causes beyond the reasonable control of the University but in no way caused by the University's default or collusion.

**9. REPRESENTATIONS AND WARRANTIES** - The University possesses the necessary skills, expertise and experience to perform the Service in accordance with the provisions of this Agreement and will perform the Service using reasonable care and skill. **Except as otherwise provided in this Agreement, the University, its officers, employees, students and agents make no representations or warranties, either express or implied, as to any matter including, without limitation, the existence or non-existence of competing technology, the condition, quality or freedom from error of the Service Results or any part thereof, or its merchantability or fitness for any particular purpose and all warranties and conditions, expressed or implied, statutory or otherwise, are hereby disclaimed.**

**10. TERMINATION** - In the event that either party fails to remedy any breach or default on its part pursuant to this Agreement within ten (10) days of notice from the other to that effect, the party not in default may upon written notice to the party in default terminate the Service and any further right of the party in default under this Agreement. In the event that either party becomes insolvent or bankrupt, or makes an assignment for the benefit of its creditors, or in the event that a receiver or trustee of its property is appointed, such party shall be deemed to be in default under this Agreement and the other party may forthwith terminate this Agreement. Any termination in accordance with this section 10 is without prejudice to or limitation of any other right or remedies of the party not in default including the right to collect sums due to it at the time of such termination.

**11. INDEMNIFICATION** - The Client will defend, indemnify and hold harmless the University (including its officers, employees, students and agents) from all liabilities, demands, damages, expenses and losses arising out of the use by the Client or by any party acting on behalf of or under authorization from the Client of the Service Results or out of any use, sale or other disposition by the Client, or by any party acting on behalf of or under authorization from the Client of any product or technique which is the subject of the Service or is created or modified based on the Service Results.

**12. LIMITATION OF LIABILITY** - In no event will the University be liable to the Client for all breaches of contract or for torts or otherwise arising from or in relation to this Agreement or the matters or activities dealt with herein in excess of the aggregate amounts paid by the Client to the University pursuant hereto.

**13. USE OF UNIVERSITY NAME** - The Client will not utilize the name of the University or the University Staff member involved with the Service in conjunction with the Client's use or exploitation of the Service Results, including without limitation, the development, production or marketing of products.

**14. FIPPA** – The Client acknowledges that all records prepared by the University in the performance of this Agreement are in the custody and control of the University. The University is or will be subject to the access and privacy provisions of the Freedom of Information and Protection of Privacy Act (Manitoba) which creates a right of access to records under the custody and control of public bodies subject to specific, limited exceptions. Except as required by law or as otherwise permitted pursuant to the terms of this Agreement, neither the University nor the Client will disclose the contents of this Agreement or the foregoing records other than for the purpose of implementation or enforcement of the same or for a general statement on the parties to the Agreement, the amount being paid for the Service and the general nature of the Service, either party being entitled to publish that information.

**15. NOTICES** - All notices, requests, directions or other communications required or permitted herein will be in writing and will be delivered to the parties hereto respectively as follows:

**The Client:**

*[enter client's legal name]*

*[enter client's address]*

Attention: *[enter job title]*

Phone: *[enter phone number]*

Fax: *[enter fax number]*

Email: *[enter email address]*

**The University:**

**For Contract Matters:**

*[enter Office of Research Services if research contract, or Faculty/Department if no research performed as part of service]*

The University of Manitoba

Attention: *[select Dean or Director]*

*[enter address]*

Winnipeg, MB *[enter postal code]*

Phone: *[enter phone number]*

Fax: *[enter fax number]*

Email: *[enter email address]*

**For Day to Day Matters:**

*[enter Faculty/Department]*

The University of Manitoba

Attention: *[enter job title]*

*[enter address]*

Winnipeg, MB *[enter postal code]*

Phone: *[enter phone number]*

Fax: *[enter fax number]*

Email: *[enter email address]*

In order for any notices, requests, directions, or other communications to be effective, the same will either be delivered in person or sent by registered mail, facsimile or electronic transmission, addressed to the party for whom it is intended at the above-mentioned address or fax number and will be deemed to have been received, if sent by registered mail, when the postal receipt is acknowledged by the other party; and, if sent by facsimile or electronic transmission, when transmitted. The address or fax number of either party may be changed by notice in the manner set out in this Section.

16. **SURVIVAL** – Articles 3, 4, 5, 6, 7, 8, 11, 12, 13 14 and 16 shall survive the termination or expiration of this Agreement.

17. **NO AGENCY** – Nothing contained herein or done hereunder shall be construed as establishing any agency, partnership or joint venture relationship between the parties for any purpose whatsoever.

18. **ENTIRE AGREEMENT** – this Agreement contains the entire agreement between the parties with respect to the subject matter herein and supersedes all prior agreements, negotiations, representations and proposals, written and oral. Any Schedules attached hereto form part of this Agreement. No amendment, or variation of this Agreement shall be effective unless set forth in writing signed by a duly authorized representative of each party.

19. **FURTHER ASSURANCES** – Each of the parties shall sign such documentation and deliver such information as may be reasonably required by the other in order to confirm and give effect to the provisions set forth in this Agreement.

20. **ENUREMENT and ASSIGNMENT** – This Agreement shall be binding upon and enure to the benefits of the parties hereto and their respective successors and permitted assigns, provided that neither of the parties shall assign or subcontract this Agreement or any part thereof or any rights or obligations under this Agreement or with respect to the Services Results without the prior written approval of the other party hereto.

21. **GOVERNING LAW** - This Agreement will be governed by and interpreted in accordance with the laws in force in the Province of Manitoba and the parties expressly attorn to the exclusive jurisdiction of the courts of Manitoba for enforcement thereof.

22. **COUNTERPARTS** - This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

IN WITNESS WHEREOF the duly authorized officers of the parties have executed this Agreement on the date first above written.

**The University of Manitoba**

*[enter client's legal name]*

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

I have read and understood the foregoing and hereby agree as though I were a party hereto:

\_\_\_\_\_  
*[enter Project Lead's name and job title]*

**SCHEDULE A**

**THE SERVICE**

The University shall perform the following services in accordance with the attached outline/proposal which is attached hereto as Appendix "1" to Schedule "A".

or

The University shall perform the following services by the date(s) set out below:

**SCHEDULE B**

**PAYMENT**

B.1 **Service Fee** -The Client will pay to the University for the University’s performance of the Service a Service Fee of \$[enter amount], \$[enter amount, or “NIL” if nothing due until invoice issued] of which is payable by the Client, without invoice from the University, concurrently with delivery of this Agreement.

B.2 **Invoicing** – The University will invoice the Client for the balance of the Service Fee, after allowance for the amount due with delivery of this Agreement, in accordance with the following schedule:

- [enter fixed dates, or “upon services rendered”, or “Not Applicable”]

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- the balance of the Service Fee upon receipt by the Sponsor of the Service Results.

B.3 **Payment** – Invoiced amounts are due and payable by the Client within thirty (30) days of receipt of invoice or within such shorter time as provided in Section B.2. Interest will be paid on overdue amounts at a rate of 15% per annum. The Service Fee is exclusive of GST which, if applicable, will be paid by the Client at the same time as the payment of the Service Fee on which the same is based.

## **Appendix C**

### **Signing Policy and Procedures**

## SIGNING OF AGREEMENTS Policy and Procedures

Routing of contracts and agreements for approval and signature typically involves the following steps:

<p><b>For Standard Contracts and Agreements:</b></p> <p><i>(Contracts valued under \$100,000.00)</i></p>	<ol style="list-style-type: none"> <li>1. The unit may find the appropriate standard contract on the website of the Office of Legal Counsel: <a href="http://umanitoba.ca/legal_counsel/agreements.html">http://umanitoba.ca/legal_counsel/agreements.html</a></li> <li>2. If the appropriate standard contract is not available on the website, the unit should contact the Office of Legal Counsel for further assistance.</li> <li>3. The unit completes the standard contract by inserting only the requested information, and not making any other modifications.</li> <li>4. The unit forwards the completed standard contract to the unit's Signing Authority for signature: <a href="http://www.umanitoba.ca/admin/governance/media/signing_agreements_schedule-a.pdf">http://www.umanitoba.ca/admin/governance/media/signing_agreements_schedule-a.pdf</a>.</li> <li>5. The Signing Authority signs a sufficient number of copies of the contract so that each party who will be signing the contract may keep an original copy.</li> <li>6. The contract is returned to the unit to arrange for the other party(ies) to sign. Once all signatures are obtained, the unit leaves one original copy with each party.</li> <li>7. The University's copy <b>must</b> be forwarded to the Office of Legal Counsel for filing in the University's central contracts vault. The unit should make a photocopy of the contract for their records.</li> </ol>
<p><b>For Non-Standard Contracts and Agreements:</b></p> <p><i>(AND Standard Contracts valued over \$100,000.00)</i></p>	<ol style="list-style-type: none"> <li>1. The unit works with outside parties or the Office of Legal Counsel to develop and prepare a draft non-standard agreement.</li> <li>2. The unit completes a Contract Routing Form ("CRF"), found on the Office of Legal Counsel website: <a href="http://umanitoba.ca/legal_counsel/agreements.html">http://umanitoba.ca/legal_counsel/agreements.html</a></li> <li>3. The unit forwards draft contract &amp; CRF to the unit's Signing Authority to review the Contract and complete Approval section.</li> <li>4. The unit's Signing Authority executes the CRF and, if permitted under our Policy (<a href="http://www.umanitoba.ca/admin/governance/media/signing_agreements_schedule-a.pdf">http://www.umanitoba.ca/admin/governance/media/signing_agreements_schedule-a.pdf</a>), signs a sufficient number of copies of the non-standard contract so that each party signing the contract may keep an original copy.</li> <li>5. The CRF and all copies of the contract are returned to the unit, who then forwards all copies to the Office of Legal Counsel.</li> <li>6. The Office of Legal Counsel reviews and approves the non-standard contract, thereafter executing the CRF. If the contract must be signed by a Vice-President or the President, the Office of Legal Counsel will arrange for such signature.</li> <li>7. The Office of Legal Counsel returns the CRF and contract to the unit, so that the unit may arrange for the other party(ies) to sign.</li> <li>8. Once all signatures are obtained, the unit leaves one original copy with each party. The University's copy <b>must</b> be forwarded to the Office of Legal Counsel for filing in the University's central contracts vault. The unit should make a photocopy of the contract for their records.</li> </ol>

To review the text of the *Signing of Agreements* Policy and Procedures, please see the following link:  
[http://www.umanitoba.ca/admin/governance/governing\\_documents/community/1113.html](http://www.umanitoba.ca/admin/governance/governing_documents/community/1113.html)

**SCHEDULE "A"**

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
A) Property Agreements			
i) short term use of University facilities	Up to \$100,000	Use of Facilities Policy (to be revoked), Campus Events Policy (pending approval), Campus Alcohol Policy, Clean Air Policy, RWLE Policy	Dean or Director responsible for the space at issue, Associate Vice-President (Administration)
ii) student residency agreement	Up to \$100,000	Campus Alcohol Policy, Clean Air Policy, RWLE Policy	Director of Ancillary Services, Director of Student Residences
iii) lease of University property	Up to \$100,000	Campus Alcohol Policy, Clean Air Policy, RWLE Policy	Associate Vice-President (Administration)
iv) lease of other's property	Up to \$100,000		Associate Vice-President (Administration)
v) short term use of facilities assigned to Conference and Catering Services	Up to \$100,000	Use of Facilities Policy (to be revoked), Campus Events Policy (pending approval), Campus Alcohol Policy, Clean Air Policy, RWLE Policy	Director of Ancillary Services, Director of Conference and Catering Services
vi) mines & minerals leases	Up to \$100,000		Manager, Treasury Services

<u>Type of Agreement</u>	<u>Value Restriction</u> *1*2	<u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u> *3	<u>Signing Officer</u> *4
B) Purchasing Agreements			
i) purchase of goods or services, including authorizing the issuing of a Request for Proposals	Up to \$100,000	Financial Signing Authority Policy Purchasing Policy	Dean or Director responsible for the budget paying for the goods or services
ii) equipment lease	Up to \$100,000	Financial Signing Authority Policy Purchasing Policy	Dean or Director responsible for the budget paying for the equipment
iii) software licences	Up to \$100,000	Financial Signing Authority Policy Purchasing Policy	Dean or Director responsible for the budget paying for the software licences
iv) request/requisition for purchase orders (goods or services)	Up to maximum allowable on purchase order	Financial Signing Authority Policy Purchasing Policy	Dean, Director or other employee responsible for the budget paying for the service or goods
v) request/requisition for low dollar purchase/payment program	Up to maximum allowable under program	Financial Signing Authority Policy Purchasing Policy	Dean, Director or other employee responsible for the budget paying for the service or goods

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
vi) purchase of books, journals and other print publications, video and audio recordings	Up to \$100,000	Financial Signing Authority Purchasing Policy	University Librarian
vii) licence for electronic resources, including books, journals and other publications	Up to \$100,000	Financial Signing Authority Purchasing Policy	University Librarian
viii) purchases using online travel booking and purchasing tools	Up to limits allowed by tools	Financial Signing Authority Purchasing Policy	Authorized users of online tools
C) Service Agreements			
i) providing goods/services to others	Up to \$100,000	Financial Signing Authority Policy Purchasing Policy	Dean or Director responsible for the provision of the services or goods
D) Agreements with Students			

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
i) graduate student – advisor agreement relating to sharing of intellectual property		Intellectual Property Policy	Dean of Graduate Studies and advisor
ii) return of service agreement	Up to \$100,000		Dean or Director of the Faculty in which the student is registered, and where more than one faculty is involved, by the Dean of the Faculty paying for the student’s tuition and therefore entitled to return of service
E) Academic Agreements (within Canada)			
i) student placements			Dean of the Faculty from which students will be placed, or Provost (if more than one Faculty)
ii) inter-institutional student transfers, articulation agreements			Dean of the Faculty to or from which students will be transferred, or Provost (if more than one Faculty)

<u>Type of Agreement</u>	<u>Value Restriction</u> <sup>*1*2</sup>	<u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u> <sup>*3</sup>	<u>Signing Officer</u> <sup>*4</sup>
iii) student or faculty exchange			Dean of the Faculty to or from which students will be placed, or Provost (if more than one Faculty)
iv) academic affiliation or collaboration agreement			Dean of Faculty seeking affiliation, or Provost (if more than on Faculty)
F) International Agreements			
i) memorandum of understanding or other general international affiliation			Associate Vice-President (Partnerships)
ii) student or faculty exchange			Dean of the Faculty sending or receiving students or faculty, or Associate Vice-President (Partnerships) (if more than one Faculty)
iii) post-graduate training agreement	Up to \$100,000		Dean of the Faculty providing or receiving the post-graduate training, or Associate Vice-President (Partnerships) (if more than on Faculty)

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
iv) student transfer program agreement	Up to \$100,000		Dean of the Faculty receiving or sending students, or Associate Vice-President (Partnerships)
v) contribution agreement with funding agency for international development projects	Up to \$100,000		Associate Vice-President (Partnerships)
vi) contribution or grant agreement with funding agency for international research projects	Up to \$100,00		Director of Research Services, Associate Vice-President (Partnerships)
vii) international research collaboration agreement	Up to \$100,000		Associate Vice-President (Partnerships)
viii) international development collaboration agreement	Up to \$100,000		Associate Vice-President (Partnerships) or Director of Research Services
ix) research conference agreement	Up to \$100,000		Director of Research Services, Associate Vice-President (Partnerships)

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
G) Sponsorship Agreements	Up to \$100,000	Commercial Advertising Policy	Dean or Director of unit giving or receiving funds
H) Research Agreements			
i) grants	Up to \$100,000	Research Agreements Policy, Intellectual Property Policy	Director of Research Services, or Vice-President (Research and International) (if institutional, without value restriction)
ii) agreements for the funding of research	Up to \$100,000	Research Agreements Policy, Intellectual Property Policy	Director of Research Services, or Vice-President (Research and International) (if institutional, without value restriction)
iii) material transfer agreements	Up to \$100,000	Research Agreements Policy, Intellectual Property Policy	Director of Research Services
I) Agreements Supporting Commercialization of Intellectual Property			

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
i) assignment or license of intellectual property	Up to \$100,000	Research Agreements Policy, Intellectual Property Policy	Associate Vice-President (Partnerships), or Director of Technology Transfer
ii) assignment or license of intellectual property by the researcher to the University		Research Agreements Policy, Intellectual Property Policy	Director of Research Services, Associate Vice-President (Partnerships), or Director of Technology Transfer
iii) confidentiality or non-disclosure agreements		Research Agreements Policy, Intellectual Property Policy	Director of Research Services, Associate Vice-President (Partnerships), or Director of Technology Transfer
iv) Limited Powers of Attorney for matters related to patent registration and protection		Intellectual Property Policy	Associate Vice-President (Partnerships), or Director of Technology Transfer
J) Employment Related Agreements			
i) employment letter of offer and renewals for Academic Staff		Academic Appointments Policy	Dean or Department Head paying for the salary and related costs of the employee

<u>Type of Agreement</u>	<u>Value Restriction</u> <sup>*1*2</sup>	<u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u> <sup>*3</sup>	<u>Signing Officer</u> <sup>*4</sup>
ii) requesting Human Resources to issue employment letter or renewal for support staff		Employment of Support Staff Policy	Dean, Director, Department Head or Unit Head of the Unit paying for the salary and related costs of the employee
iii) offers of employment and independent contractor agreements (and renewals) for geographic full-time physicians		Academic Appointment Policy	Dean of Faculty of Medicine
iv) secondments	Up to \$100,000	Secondment Policy	Dean, Director, Department Head or Unit Head of the unit paying for the cost of the secondment services; or the Dean, Director, Department Head or Unit Head of the unit from which the employee is seconded to another institution
v) letters of understanding under collective agreements	Up to \$100,000	Collective Agreements	Associate Vice-President (Human Resources) or Staff Relations Officers
vi) settlement of grievances for individuals	Up to \$100,000	Collective Agreements	Associate Vice-President (Human Resources) or Staff Relations Officers

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
vii) agreements related to the termination of employment	Up to \$100,00	Position Discontinuance, Lay-off, and Resignation, Collective Agreements	Dean or Director of of the unit in which the person was employed, Associate Vice-President (Human Resources) or Staff Relations Officers
K) Construction, Design and Renovation Agreements, including authorizing issuing Requests for Proposals	Up to \$250,000	Purchasing Policy	Director of Physical Plant, or Associate Vice-President (Administration)
L) Gift Agreements			
i) endowment or other gift agreement	Up to \$100,000	Gifts to the University Policy	Director of Philanthropy and Development Services
ii) estate beneficiary release	Up to \$100,000	Gifts to the University Policy	Director of Philanthropy and Development Services
iii) gifts to Libraries or Archives	Up to \$100,000	Gifts to the University Policy	University Librarian, Director of Philanthropy and Development Services

<b><u>Type of Agreement</u></b>	<b><u>Value Restriction</u></b> <sup>*1*2</sup>	<b><u>Cross Reference to other Governing Documents (policies and where appropriate, procedures and regulations)</u></b> <sup>*3</sup>	<b><u>Signing Officer</u></b> <sup>*4</sup>
M) Athletic Agreements			
i) agreements for University athletic teams to play games or tournaments at other institutions			Athletic Director
ii) agreements for athletic teams to play games or tournaments at other institutions			Athletic Director
N) Insurance Agreements			
i) entering into a contract of insurance	Premiums up to \$100,000		Director of Risk Management
ii) proof of loss, release of insurer	Up to \$100,000		Director of Risk Management
O) All other Agreements not listed above			President or Vice-President (Administration)

1 - Where the value of an Agreement cannot be determined, the Signing Officer shall revert to the President or the Vice-President (Administration), or any other Vice-President with authority over they particular type of Agreement.

- 2 – Values are listed on a per-Agreement basis, not an annual or other basis. Signing Officers shall not enter into multiple Agreements for the purpose of avoiding this restriction.
- 3 – The list of relevant policies shall change from time to time and it shall be the obligation of the Signing Officer to ensure that all relevant policies are observed whether or not listed on this table.
- 4 – Where an Agreement relates to multiple units, the Signing Officer should have authority over all the units. For example, an Agreement covering multiple Departments should be signed by the Dean, rather than the Department Head.

## **Appendix D**

### **Institution-to-Institution Disclaimer**

## **TEST RESULTS**

### **DISCLAIMER**

**These test results are provided to the academic institution for academic purposes only. The University of Manitoba, its officers, employees, students and agents make no representations or warranties, either express or implied, and assume no legal liability consequential, special punitive or otherwise as to the test results and/or information in this report including, without limitation, the accuracy, completeness reliability, quality or freedom from error of the results or any part thereof, or its merchantability or fitness for any particular purpose and all warranties and conditions, expressed or implied, statutory or otherwise, are hereby disclaimed. Moreover, the University of Manitoba, its officers, employees, students and agents make no representations or warranties, express or implied, that the use of the information in this report/the results will not infringe upon privately owned rights.**

## **Appendix E**

### **List of Accounts and Predecessor Codes for Fee-for-Service Activity Transactions**

## List of Accounts and Predecessor Codes for Fee-for-Service Activity Transactions

The following **Revenue Account codes** and associated predecessor codes should be used for the three categories of FFSA as indicated.

### ***External Agencies, Governments, Institutes and Private Corporations***

**Control Document:** *Technical Services Agreement*

**Account Name:** External TSA FFSA

**Account Code:** 522023

**Predecessor Name:** External – Fee-for-Service

### ***External Post-Secondary Institutions and Government Laboratories***

**Control Document:** *Institutional Waiver Included in Report and on Invoice*

**Account Name:** Post-Secondary FFSA

**Account Code:** 522024

**Predecessor Name:** External – Fee-for-Service

### ***Internal University of Manitoba Clients***

**Control Document:** *None*

**Account Name:** Internal FFSA

**Account Code:** 532017

**Predecessor Name:** Internal – Fee-for-Service

The following **Expense Account code** should be used when charging restricted research accounts as payment for Fee-for-Service activities.

**Account Name:** Internal Expenses for FFSA

**Account Code:** 711601

**Predecessor Name:** Internal Services Expense