

Fee-For-Service Frequently Asked Questions (FAQs)

General

1. What is Fee-for-Service work, and how is it different from a traditional sponsored project that Office of Sponsored Programs (OSP) processes?
A: A Fee-for-Service project is appropriate where the deliverable requested by a client is generated by University members using practical applications of generally accepted procedures, established theories, well-understood methods or standard experiments.

2. What types of Fee-for-Service work are appropriate under the OSP Fee-for-Service mechanism?
A: There are four primary categories appropriate for OSP Fee-for-Service Agreements, as listed in the [Fee-for-Service Guideline](#):
 - 1) Services;
 - 2) Equipment or Lab Use;
 - 3) Product; and
 - 4) Evaluation, Assessment, and Training.

3. What are some examples of appropriate services?
A: Examples include, but are not limited to:
 - 1) The physical, chemical, molecular, or functional analysis of client-supplied samples (laboratory services);
 - 2) Advanced product testing, which excludes clinical trials;
 - 3) Printing (2D or 3D) or other fabrication of a client-supplied design; or
 - 4) Specialized equipment repair

4. Where do I start if I have a potential Fee-for-Service project?
A: If you have a potential Fee-for-Service project, you can begin the review process by contacting OSP's Fee-for-Service team at osp-ffs@pitt.edu.

5. What is required for OSP to begin reviewing a potential Fee-for-Service project?
A: To begin the review process, OSP requests a preliminary budget and a distinct scope of work for the project. Additionally, the Fee-for-Service team will likely schedule a meeting to address any questions and review the scope and budget with the Project Lead and department's financial administrator.

6. Once the Fee-for-Service team completes their review and determines it is appropriate for Fee-for-Service, how is the agreement process initiated?
A: Fee-for-Service projects should be submitted via the [PERIS™ MyFunding Module](#).



7. What is a Fee-for-Service scope of work?
A: A Fee-for-Service scope of work is a document that provides a concise description of all services to be provided; any acceptance criteria; all key personnel; any client-supplied equipment or materials; the effective date of services to be performed; and any deadline/milestone requirements.
8. Who initiates a proposed Fee-for-Service scope of work?
A: The Fee-for-Service scope of work should be initiated by the client; however, a Fee-for-Service scope of work may be revised based upon discussions with the University.
9. For what types of clients may I perform Fee-for-Service work?
A: Fee-for-Service agreements are appropriate for private and not-for-profit clients.
10. May I enter into a Fee-for-Service agreement with the Federal Government or other public sector clients?
A: No. Fee-for-Service is not an appropriate mechanism for contracting with the Federal Government or other public sector clients.
11. Are public university clients considered public sector clients under these guidelines?
A: No, universities, whether public or private, are not considered public sector clients for the purposes of fee-for-service activities.
12. Will I be allowed to work with animals for a Fee-for-Service project?
A: Yes, as long as you obtain proper IACUC approval.
13. Do I have any additional responsibilities if my Fee-for-Service project involves external persons entering University facilities or using University equipment?
A: Yes. University members entering into a Fee-for-Service agreement must ensure that external visitors register with the [University's Visitor Liaison](#), complete a [Lab Use Addendum](#), and complete all applicable Employee Health and Safety (EH&S) training (<http://www.ehs.pitt.edu/workplace/training.html>).
14. Is Fee-for-Service appropriate in instances where a client intends to commercialize *University* technology, intellectual property (whether existing or created during the fee-for-service work), or copyrighted material?
A: No. University technology, intellectual property, or copyrighted material may not be commercialized under the Fee-for-Service mechanism.
15. I want to be able to publish results. Can I still participate in Fee-for-Service work?
A: Yes, under Fee-for-Service agreements, the University maintains the discretion to present or publish new scientific information that is realized as a part of the service.
16. Who can we contact to ask any questions about Fee-for-Service work?



- A: You can contact the Fee-for-Service team by emailing osp-ffs@pitt.edu.
17. Does Fee-for-Service have a website?
A: Yes, please see the link for more information: <https://www.osp.pitt.edu/osp-teams/fee-service>
18. Is a company allowed to come to the University and train physicians under the Fee-for-Service guidelines?
A: No, under the Fee-for-Service guidelines, the University needs to provide the expertise for Fee-for-Service agreements. Bringing in an outside entity who has the expertise in the work to be performed will not be acceptable for Fee-for-Service, and is a potential violation of the University's Industry Relationship Policy.
1) <https://www.coi.pitt.edu/regulations-policies/industry-relationships-policy>
19. Where can I find additional resources and university policies?
A: You can use these links to find resources related to the following:
- CS 09 Outside Employment (formerly 02-06-01) <https://www.policy.pitt.edu/cs-09-outside-employment-formerly-02-06-01>
 - ER 02 Conflict of Interest for Designated Administrators and Staff (formerly 07-05-02) <https://www.policy.pitt.edu/er-02-conflict-interest-designated-administrators-and-staff-formerly-07-05-02>
 - ER 03 Conflict of Interest for University of Pittsburgh Employees (formerly 07-05-03) <https://www.policy.pitt.edu/er-03-conflict-interest-university-pittsburgh-employees-formerly-07-05-03>
 - RI 08 Responsibilities of Sponsored Research Investigators (formerly 11-01-02) <https://www.policy.pitt.edu/responsibilities-sponsored-research-investigators>
 - RI 01 Conflict of Interest Policy for Research (formerly 11-01-03) <https://www.policy.pitt.edu/conflict-of-interest-research>
 - RI 04 Organizational Conflict of Interest (formerly 11-01-08) <https://www.policy.pitt.edu/organizational-conflict-interest>
 - Academic Visitors: For Visitors (<https://visitor.pitt.edu/for-visitors/>).
 - Industry Relationships Policy (“Policy on Conflicts of Interest and Interactions between Representatives of Certain Industries and Faculty, Staff and Students of the School of the Health Sciences and Personnel Employed by UPMC at all Domestic Locations”) (<https://www.coi.pitt.edu/sites/default/files/documents/regulations-policies/Industry-Relationships-Policy-Pitt.pdf>).
 - Guidelines on Sponsored Projects and Gifts – University's Financial Guideline (https://www.cfo.pitt.edu/policies/guideline/sponsored_projects_vs_gifts.pdf).



- University of Pittsburgh Faculty Handbook (<https://provost.pitt.edu/faculty-handbook>).
- University of Pittsburgh Staff Handbook (<http://www.hr.pitt.edu/handbook>).
- University of Pittsburgh Policy regarding Copyrights https://www.policy.pitt.edu/sites/default/files/Policies/Research-Innovation/RI%2003%20Policy%20081920_0.pdf
<https://www.policy.pitt.edu/copyrights>

Contracting

20. Who prepares and issues the agreement?
A: Fee-for-Service agreements will be prepared and issued by the Fee-for-Service team in the Office of Sponsored Programs (OSP).
21. Why does OSP use template agreements?
A: The Fee-for-Service template agreements provide consistent and legally binding terms that the University of Pittsburgh can agree to accept when performing Fee-for-Service work, thus allowing a more streamlined contracting process.
22. What types of equipment or lab use agreements are appropriate under the Fee-for-Service mechanism?
A: Appropriate Equipment or lab use agreements provide access to equipment, laboratory space, or both to a client who will use those assets on a non-exclusive basis, subject to the supervision of a university employee where the University member is not participating in the enhancement or advancement of the client's idea. Examples include, but are not limited to charging clients an hourly rate to use analytical, experimental, or fabrication equipment in a University lab or core facility.
23. What are appropriate evaluation, assessment, and training agreements under the Fee-for-Service mechanism?
A: Appropriate evaluation, assessment, and training agreements allow University members to provide evaluation, assessment, training or other organized, unit-based consulting services. Clients will receive a license to use any customized information products derived from the University's existing copyrighted materials for their internal use. Clients may also receive a license permitting broad, non-commercial dissemination of any such materials.
24. Do these evaluation, assessment, and training agreements cover individual faculty consulting arrangements?
A: No, these guidelines generally DO NOT apply to individual faculty members who want to provide professional services to external parties. These guidelines do apply to faculty members who want to provide professional services to external



parties under the auspices of the University, meaning that the University would be the contracting party and time spent performing these services would be considered in support of the University.

25. Can University space be rented to a company under the Fee-for-Service model?
A: No. The Fee-for-Service model may only be used to provide a third party with non-exclusive use of University facilities.

Financial

26. What facilities & administrative (indirect cost) rate should be used when calculating total costs?
A: When calculating total costs, departments should use the applicable fiscal year's Fee-for-Service [F&A rate](#).
27. Will Fee-for-Service agreements operate under a 03, 04, or 05 account?
A: Fee-for-Service agreements processed through OSP will be issued 05 accounts, similar to sponsored programs. However, because residual funds are expected at the end of the period of work, those funds will be transferred into a 04 account after all project expenses have been paid.
28. Will a profit margin always be included in the budget?
A: It is the responsibility of the Fee-For-Service team to determine if a profit margin is appropriate to reach fair market value. This will be reviewed on a case by case basis.
29. Who will send the final budget to the client?
A: If the department has an existing relationship with the client, then OSP prefers that the department sends the budget, however, please copy the Fee-for-Service team on any correspondence. No budget should be sent to the client without OSP review.
30. Who prepares the final budget?
A: The Fee-For-Service team will prepare the final budget to be sent to the client.
31. What should be included in the budget?
A: The budget should include accurate direct costs aligned with the provided scope of work and the proper indirect cost rate. Additionally, if deemed appropriate by OSP, a profit margin in compliance with fair market value may be assessed.
32. Should the Office of Sponsored Programs reviewed and approved budget be sent to the client with the agreement?



- A: The approved budget and agreement can be sent together; however, if the department prefers to send the budget prior to the agreement, that is also acceptable.
33. Who is responsible for invoicing the client?
A: Sponsored Projects Accounting will invoice clients but will need confirmation from the department on when milestones/deliverables are met. OSP will not be involved in the invoicing [process](#).
34. How do I contact Sponsored Projects Accounting?
A: You can view contact information for Sponsored Projects Accounting on their website: <https://www.controller.pitt.edu/sponsored-projects-accounting-spa/#staff>
35. Will I need to send invoices to OSP for their records?
A: No, you will not need to provide OSP with invoicing records.
36. Should we expect the client to negotiate the price?
A: There should be no financial negotiations with the client; they are expected to pay the cost for doing the work. To reduce the cost, a reduction in scope may be considered.
37. Am I allowed to calculate the costs of the project, or will that be determined by OSP?
A: The department may work up their direct and indirect costs, but the calculations will need to be reviewed and endorsed after fair market value is assessed by the OSP Fee-for-Service team.
38. Should I be contacting the client about rates or quotes before working with OSP?
A: No, you should contact OSP as soon as possible when you receive a request to perform a service. Please contact us at osp-ffs@pitt.edu.
39. Am I allowed to cost share a faculty member's salary in a Fee-for-Service agreement?
A: No. No cost sharing of any kind is allowed under a Fee-for-Service agreement. If you wish to cost share or subsidize any part of the work, it may indicate a more collaborative relationship with the client that would be processed as a traditional sponsored project by another OSP team.