

## **GUIDANCE ON BILLING AGREEMENTS BETWEEN HARVARD AFFILIATED INSTITUTIONS**

Billing agreements are binding agreements between two local institutions that are utilized when an investigator/researcher is an employee of one institution and is performing work at another local institution. Among the local Harvard affiliates who do business regularly, the attached billing agreement template has been established.

In the event that the agreement recipient's work is taking place at his or her payroll institution - which could give rise to potential IP being developed outside the prime awardee institution - a subcontract should be used. Should any IP arise under a billing agreement, the institutions will work together to determine the appropriate course of action.

*A formal subcontracting arrangement is executed when the scientific work on a sponsored project is conducted at an institution that is not the prime recipient of a sponsored award. This arrangement protects both institutions and ensures agreement with sponsor's assurances and certifications and agreement with all institutional, federal and sponsors' regulations.*

The use of a billing agreement is appropriate when an investigator has a dual appointment and is performing work on an awarded research grant or contract at the institution that is not the investigator's primary institution. Billing agreements may also be used for other supporting staff if institution policy allows.

The Prime Awardee is responsible for collection of Conflict of Interest assurances for individuals paid under a billing agreement who are responsible for the design, conduct or reporting of the research.

Billing agreements are for the reimbursement of salary and fringe to the investigator's/researcher's primary institution and avoids the issuance of dual paychecks and benefit plans. IDC is not recoverable as overhead costs are not incurred. Although some billing arrangements may have unique aspects, they are generally indicative of the following circumstances:

- PI with dual appointment status (or supporting staff member) receives salary exclusively from the non-grantee institution.
- Research will be conducted at the institution where the grant is awarded.
- Reimbursement from the grantee institution for direct costs of salary and fringe benefits is requested by the non-grantee institution incurring the actual payroll cost. If non-personnel expenses are required, a formal subcontract arrangement is necessary.

### **Requirements:**

- Confirmation at time of proposal as to which mechanism (billing agreement or subcontract) would be appropriate. If this step is omitted and subsequent discussions result in the conclusion that a subcontract is deemed more appropriate, F&A costs may not be waived simply because these were not budgeted.
- The project work is performed at the grantee institution only, and not at the institution paying the investigator's or supporting staff member's salary.
- The project is research-related and issued from research-related funds.
- Reimbursement for the costs of salary and fringe benefits are allowed. Grad student stipend and tuition may be used in lieu of salary and fringe on non-T32 grants (for T32 trainees, use Trainee

Stipend Billing Agreement). Use the appropriate expense categories and delete ones not used for each agreement.

- A billing agreement represents a financial arrangement between institutions for the specific purpose of salary reimbursement.
- Signature of an institutional official is required.
- Invoices are payable upon receipt.

**Billing agreements must include:**

- Name and billing address of institutional official responsible for processing invoice and/or institutional invoice mailbox address
- Sponsor name and prime award number
- CFDA number
- Project title
- Period of performance
- Breakdown of salary and fringe benefits costs (or stipend and tuition as appropriate) with a total cost amount indicated.
- % of effort for investigator
- Brief project description

## **GUIDANCE ON BILLING AGREEMENTS FOR TRAINEES**

A billing agreement may be used to support trainee stipend and research costs when the trainee is employed by a Harvard-affiliated institution and the NIH T32 Institutional Training Grant is awarded to a different Harvard-affiliated institution. A billing agreement for trainee appointments is used in the following circumstances:

- Trainee will have/has an appointment at the non-grantee institution.
- The trainee's Mentor has an appointment at the trainee's institution (non-grantee) or the grantee institution.
- Reimbursement may be requested by the trainee's institution for the direct costs of the trainee stipend, tuition/fees, travel and training related expenses.

### **Requirements:**

- Billing agreements will be considered only for the direct costs of the trainee stipend, tuition/fees, travel and training related expenses.
- Statement of Appointment from the trainee's institution shall be provided by the grantee institution to the non-grantee institution.
- Signature of an institutional official is required.
- Invoices are payable upon receipt.

### **Billing agreement for a trainee must include:**

- Name and billing address of institutional official responsible for processing invoice and/or institutional invoice mailbox address
- Sponsor name and identification number
- Period of Performance
- Authorized funding by cost category
- Statement of Appointment (attachment)
- CFDA number

### **If available (optional):**

- Name of trainee mentor