



Billing Agreement Process

Introduction

This business process provides guidance for a research-related Billing Agreement (BA), and Service Agreements for non-research related activities. It details the requirements, roles and responsibilities, and steps to create a Billing or Service Agreement with our Affiliate Institutions.

Contents

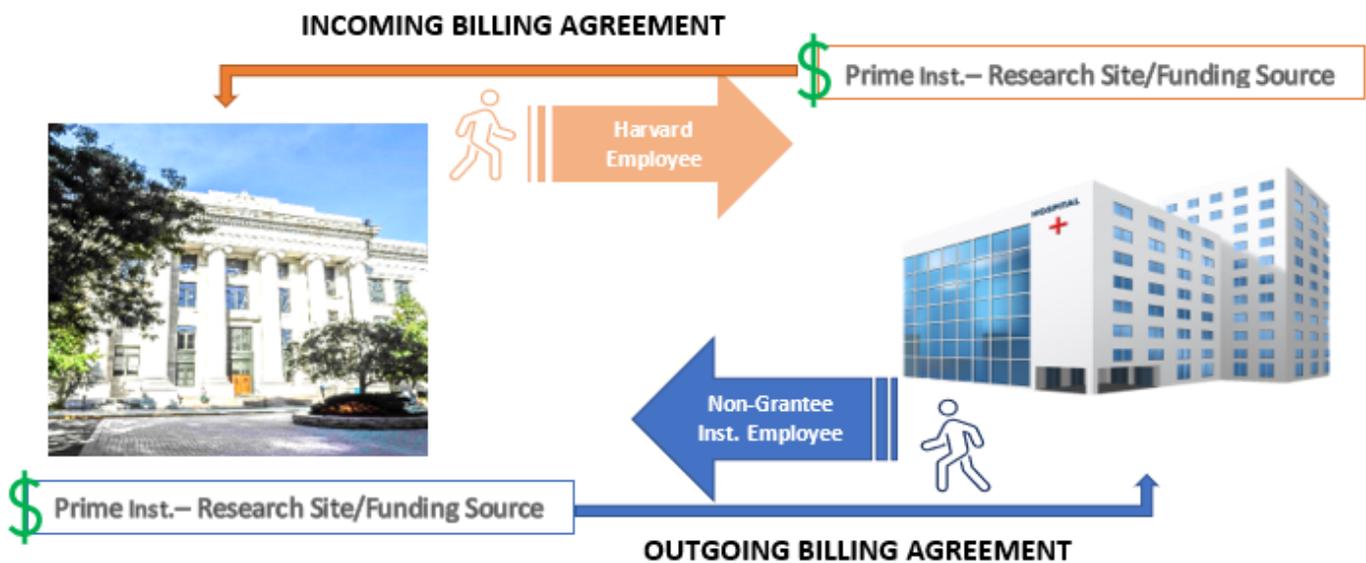
| | |
|---|----|
| Introduction | 0 |
| 1. Overview | 1 |
| 2. Affiliate Institutions..... | 2 |
| 3. Process Overview | 2 |
| 4. Billing Agreement Types | 3 |
| 5. Requirements for a Billing Agreement..... | 3 |
| 6. Billing Agreement Templates..... | 4 |
| 7. Research Salary Billing Agreement Required Data | 4 |
| 8. Trainee Stipend Billing Agreements..... | 4 |
| 9. Roles & Responsibilities | 5 |
| 10. Incoming Billing Agreement Process..... | 7 |
| 11. Amendment – Incoming Billing Agreement..... | 8 |
| 12. Outgoing Billing Agreements | 9 |
| 13. Amendment – Outgoing Billing Agreement..... | 10 |
| 14. Invoicing & Close-Out..... | 10 |
| 15. Exceptions | 10 |
| 16. Service Agreements | 11 |
| Appendix A – Billing Agreement Decision Tree..... | 12 |
| Appendix B – Billing Agreement Template Required Data | 14 |
| Appendix C – GMAS Request Entry Guidance..... | 15 |
| Appendix D – Special Account Set-Up Considerations | 16 |
| Appendix E – BAs vs Other Mechanisms..... | 17 |
| Appendix F – Billing Agreement Checklist..... | 20 |
| Appendix G – Service Agreement Clauses | 21 |
| Appendix H – Additional Resources..... | 22 |

1. Overview

A Billing Agreement (BA) is a legally binding obligation between two Affiliate Institutions to reimburse personnel expenses for a researcher or trainee of one institution who is performing work at another institution. The BA serves as a mechanism to effectuate payroll payments and avoids the issuance of dual paychecks and benefit plans among the Affiliate Institutions.

This business process is an accompaniment to the [Guidance on Billing Agreements](#) approved between Harvard Affiliate Institutions (2022) that details the BA arrangement and further expands upon it.

The figure below diagrams the inter-institutional relationship between the Prime and Non-Grantee Institutions under a BA. The Prime Institution is the recipient (grantee) of the sponsored award.



DESCRIPTION OF VISUAL:

A diagram outlining the relationship and flow of funding for employees working across institutions. On the left is a photograph of Gordon Hall at the Harvard Medical School. Below the photo of Gordon Hall is a text box which states “\$ Prime Inst. – Research Site/Funding Source;” indicating the flow of payments. An arrow runs from left to right from the text box and turns upward. Below the arrow, the text reads “Outgoing Billing Agreement.” The upward arrow points toward a stock image of a building labeled “Hospital.” Above the Hospital image is a text box which states “\$ Prime Inst. – Research Site/Funding Source;” indicating the flow of payments. An arrow runs from right to left from the text box and turns downward. Above the arrow, the text reads “Incoming Billing Agreement.” The downward arrow points back to the photo of Gordon Hall.

In the middle of the diagram, there is an arrow labeled “Harvard Employee” that points from left to right from the Gordon Hall photo toward the Hospital image. A stick figure is in front of the arrow indicating the Harvard Employee is working at the Hospital. Below that an arrow labeled “Non-Grantee Inst. Employee” points from right to left from the Hospital image toward the Gordon Hall photo. A stick figure is in front of the arrow indicating the Hospital Employee is working at Harvard University.

2. Affiliate Institutions

- Beth Israel Deaconess Medical Center
- Boston Children's Hospital
- Brigham and Women's Hospital
- Cambridge Health Alliance
- Dana-Farber Cancer Institute
- Harvard Pilgrim Health Care Institute
- Hebrew SeniorLife
- The Forsyth Institute
- Joslin Diabetes Center

Other Institutions ¹

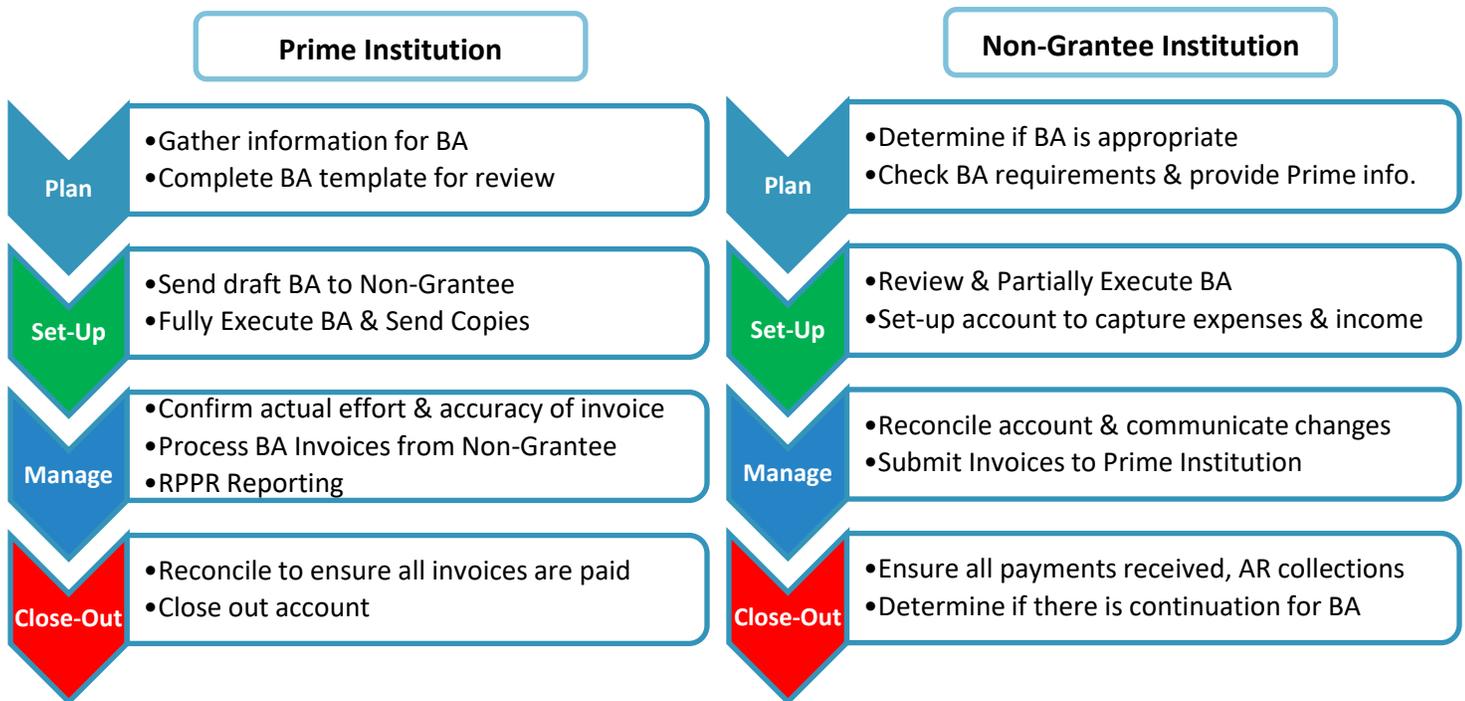
- Massachusetts Institute of Technology
- The Broad Institute

- Judge Baker Children's Center
- Massachusetts Eye and Ear
- Massachusetts General Hospital
- McLean Hospital
- Mount Auburn Hospital
- Schepens Eye Research Institute
- Spaulding Rehabilitation Hospital
- Veterans Affairs Boston Healthcare System

- The National Bureau of Economic Research

3. Process Overview

A high-level overview of the BA process:



¹ These Other Institutions are an exception and have an MOU in place to participate in the BA process. They are considered Affiliate Institutions for purposes of this document.

4. Billing Agreement Types

There are two types of BAs that Harvard University and our Affiliate Institutions use to reimburse personnel costs. Brief descriptions for both types are listed below, as well as a reference table capturing the characteristics of each BA type.

- **Incoming Billing Agreement:** Facilitates the reimbursement of Harvard University researchers and trainees working at another Affiliate Institution. The Affiliate Institution is reimbursing Harvard for personnel costs. Incoming BAs are set up in GMAS and OSP Research Finance completes the invoicing. Harvard is not a Prime Institution.
- **Outgoing Billing Agreement:** Facilitates the reimbursement of non-Harvard researchers and trainees from an Affiliate Institution that are working at Harvard University. The management and oversight of outgoing BAs, including invoicing, is the responsibility of the Department. Outgoing BAs are not set up in GMAS. Harvard is the Prime Institution.

The following table outlines additional considerations associated with each BA type:

| Considerations | Incoming BA | Outgoing BA |
|--------------------------------------|--|--|
| Employer: | Harvard | Affiliate Institution |
| Performance Location: | Affiliate Institution | Harvard |
| Institution Funding the Work: | Affiliate Institution | Harvard |
| Invoicing: | Harvard invoices Affiliate Institution | Affiliate Institution invoices Harvard |
| Receipt of Funds: | Paid to Harvard | Paid to Affiliate Institution |
| GMAS Set-Up: | Set up in GMAS | Not set-up in GMAS |

5. Requirements for a Billing Agreement

The following criteria must be met to satisfy the BA requirements:

- **Not a Subaward:** A BA is not a substitute for a subaward.
- **Agreement Between Affiliate Institutions:** BAs are only for inter-institutional relationships between Harvard and Affiliate Institutions or institutions with a MOU with Harvard.
- **Work Performed at Prime Institution:** This is a key requirement for BAs. The project work is performed at the Prime (grantee) Institution only, and not at the institution paying the investigator's or supporting staff member's salary. If work is conducted at the Non-Grantee Institution, a subaward must be issued.
- **Project is Research-related:** The project and work involves research activities.
- **For the Reimbursement of Salary/Fringe or Stipend/Tuition:** Salary and fringe benefits. Graduate student stipend and tuition may be used in lieu of salary and fringe on non-training grants. Stipends are unallowable on federal research grants. For training grants, costs can include stipend, tuition/fees, Training Related Expenses.
- **Actual Committed Effort:** Committed effort % is required. Significant effort outside of the prime institution requires justification to the submitting office for anyone other than students. BAs cannot be a fixed-price arrangement.
- **No F&A Costs:** No administrative fees, overhead, or F&A costs can be budgeted or expensed.

Special notes:

- Non-sponsored funding, including internal awards, gifts, and discretionary funds may be used for research-related BAs.
- In the case of remote work, the question for the Non-Grantee researcher/trainee is, if the work was not remote, which facility would the work be performed?
- When there are Visa considerations under a BA arrangement, Department Administrators should seek guidance and coordination from Human Resources (HR) before the BA is executed.

6. Billing Agreement Templates

There are two different BA templates, depending on the type of arrangement being covered by the agreement. The terms and conditions on each of the BA templates have been previously agreed upon by the Affiliate Institutions and **cannot be changed**. See [Appendix B](#) for the data fields on the BAs. A brief description of each BA template is listed below:

1. **Salary Billing Agreement:** The sources of funding for reimbursement of personnel costs can be either sponsored or non-sponsored.
 - Additional approval may be required for internal grants, gifts, and endowment to ensure the intended use and work are aligned with the terms and there are ample funds to cover it.
2. **Trainee Stipend Billing Agreement:** The source of funding is from an NIH Institutional Research Training Grants (T) for the reimbursement of Stipend, Tuition & Fees, and Training Related Expenses as permitted by the NIH Policy Statement.

7. Research Salary Billing Agreement Required Data

The BA must include the following:

- Legal Names of both institutions
- Sponsor name and prime award number, if applicable
- Assistance Listing Number (ALN), if applicable – (formerly CFDA) five-digit number in the awarding document for all federal award mechanisms to identify and sort the federal programs. Used for reporting and auditing.
- Project title
- Budget Period (period of performance)
- Estimated Project Period
- Committed Effort %
- Budget with a breakdown of salary and fringe benefits costs (or compensation and tuition as appropriate)
- Total Authorized Amount
- Statement of Work provided by PI and approved by Non-Grantee researcher/trainee
- Contact information for both institutions (PI, Personnel, Administrative, Financial, and Signatory)
- Invoicing Information: Financial contact information of institutional official responsible for processing BA invoices.

8. Trainee Stipend Billing Agreements

Overview

A BA may be used to support trainee stipend and research costs when the trainee is employed by an Affiliate Institution and the NIH Institutional Research Training Grants (T) are awarded to a different institution. A BA for a trainee appointment 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 Prime Institution

Requirements

- BAs reimburses for the direct costs of the trainee’s Stipend, Tuition and Fees, and Training Related Expenses, as defined by NIH Grants Policy Statement
- Statement of Appointment from the trainee’s institution shall be provided by the Prime Institution to the Non-Grantee Institution
- The Prime Institution must verify that the Trainee’s Payback Agreement (PHS 6031) has been submitted to Sponsor
- Completed Trainee Stipend Billing Agreement Template

Trainee BA Required Data:

- Name and billing address of institutional official responsible for processing invoice and/or institutional invoice email address
- Sponsor name, Awarding Agency, and Award Number
- Mentor Name
- Grant Budget Period & Appointment Period
- Authorized funding by cost category
- Statement of Appointment (as attachment)
- ALN number of Training Grant

9. Roles & Responsibilities

Prime Institution

- **Note:** For outgoing BAs, Harvard is considered the Prime Institution and faculty are responsible for approving effort for anyone who is working on their projects. Any Non-Grantee researcher/trainee on federal research grants are included on Harvard’s RPPR reporting, but not institutional effort reporting. We do not certify effort for non-Harvard personnel.
- Ensure sufficient funding to support the BA. For sponsor funding, BA expenses are within the budget period.
- Communicate changes in funding and effort to the Prime Institution promptly.
- Issue timely payment for invoices from Non-Grantee Institution.

Non-Grantee Institution

- **Note:** for incoming BAs, Harvard is considered the Non-Grantee Institution
- Ensure Principal Investigators are **not** currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.
- Communicate changes in funding and effort to the Non-Grantee Institution promptly.
- Submits invoices to the Prime Institution for the reimbursement of personnel expenses.

Department Administrator or Managing Unit

- Confer with the Office of Research Administration (ORA) with questions on the BA requirements.
- Prepare the BA templates or work with Affiliate Institution to complete the BA template for ORA review.
- When Harvard is the Prime Institution, review account for sufficient funding.
- Compliance requirements associated with appointment process:
 - Review whether there are Visa considerations for the BA arrangement.
 - If the Prime Funding is a federal contract, ensure the individual has been e-verified.

- Obtains the Visitor Participation Agreement (VPA) and saves it under the non-Harvard researcher/trainee profile in GMAS and otherwise follow school-level appointment process/requirements” in addition to VPA.
 - There are different VPA forms for the types of visitors and exceptions for certain personnel and institutions, see the [Vice Provost site](#) for more details of the [VPA guidance](#).
- Reconcile accounts and process payments for Outgoing BAs.

Office of Research Administration (ORA)

- ORA Contracts Specialist is responsible for determining whether the requirements for an Incoming or Outgoing BA are met.
- Establishing, communicating, and monitoring local procedures for reviewing and executing all Incoming and Outgoing BAs.
- ORA Operations Team creates GMAS Accounts for Incoming BAs.

HMS Office of Finance

- The Finance Office is responsible for reviewing and approving the scope of work and budget on a Non-Sponsored BA using restricted funds. The Endowments and Gifts group approves the BA requests based on sufficient funding and consistency with gift terms.

OSP Research Finance

- OSP Research Finance (OSP RF) is responsible for preparing the monthly invoices for Incoming BA (BAs in GMAS) to our Affiliate Institutions. Incoming Non-Sponsored BAs administered outside of GMAS are invoiced by the Department.
- Work with Department Administrators to close out BA accounts in GMAS.
- Manage Account Receivable (AR) and collections effort with Affiliate Institutions.
- Close-out awards and de-obligate unspent funds.

10. Incoming Billing Agreement Process

- Affiliate Institution is the Prime Institution (prime recipient of award or funding),
- Researcher/trainee primarily employed by Harvard is working on the funded project at the Prime Institution,
- Incoming BAs (for Salary and Trainee Stipend BAs) are processed in GMAS and set-up by OSP for incoming reimbursement.

| Step | Role | Task/Activity |
|------|--------|--|
| 1 | Dept | <ul style="list-style-type: none"> • Enter request in GMAS. See Appendix C for GMAS data entry instructions. (Incoming BA's only) • Obtain the draft BA from Prime Institution • Ensure that the BA information matches the Department's and Harvard employee's understanding of the arrangement/project • Review budget and ensure that Harvard's fringe rate is used • Ensure no IDC is budgeted or that the IDC rate is 0.00% • Confirm all work under the BA will be performed at the Prime Institution • Upload all supporting documentation in GMAS (budget, Appointment form 2271) |
| 2 | ORA | <ul style="list-style-type: none"> • ORA reviews BA and requests any necessary changes from Prime Institution • Review supporting documentation uploaded in GMAS • Review GMAS Initial Request per instructions outlined in Appendix C • Submit to sponsor initial request in GMAS • Partially execute BA and return to Prime Institution |
| 3 | ORA | <ul style="list-style-type: none"> • Log notice |
| 4 | ORA | <ul style="list-style-type: none"> • Obtain fully executed BA from Prime Institution |
| 5 | ORA | <ul style="list-style-type: none"> • Provide a copy to Dept. • Upload in GMAS Notice Repository to replace the Partially Executed BA previously logged |
| 6 | OPS | <ul style="list-style-type: none"> • Processes revision in GMAS (See Appendix D with special account set-up considerations) |
| 7 | Dept | <ul style="list-style-type: none"> • Update salary coding for the BA • <u>For Trainee Stipend Billing Agreements associated with Institutional Research Training Grants (T):</u> Include trainee's name (HU ID), Prime Inst. abbreviation in the general ledger (GL) description <ul style="list-style-type: none"> ▶ 6440 - Pre-docs Stipend ▶ 6450 - Post-docs Stipend • Review and reconcile account monthly |
| 8 | OSP RF | <ul style="list-style-type: none"> • Prepare and submit monthly invoices based on GL expenditures • Notify GM of account over-expenditure • Perform accounts receivable collections as needed |
| 9 | OSP RF | <ul style="list-style-type: none"> • Confirm cumulative expenditures (GMAS Final Figure) with GM. NOTE: a full Compliance Checklist is not required; only a confirmation of final expenditures against budget • Prepare and submit final invoice • Perform collection on any outstanding receivables • Process GMAS Revision to de-obligate any remaining balance |
| 10 | OSP RF | <ul style="list-style-type: none"> • Fully reconciled accounts will automatically disable 90-days after the account end date NOTE: OSP can manually set an account to disable ahead of 90 days, if requested • Segment closeout will occur 9-months after award end date, per current process |

11. Amendment – Incoming Billing Agreement

- Amendment can only be used for changes **within the current budget period**. All other changes require a new BA,
- If a funding source changes, the existing agreement must be terminated by a formal amendment.
- A new BA is required for the new budget period.

| Step | Role | Task/Activity |
|------|------|--|
| 1 | Dept | <ul style="list-style-type: none"> • Obtain the draft Amendment from Prime Institution • Ensure that the Amendment information matches the Department's, the employees, and the Prime Institution's understanding of the changes being made • Send completed Amendment to ORA for review and partial execution with existing Fund number |
| 2 | ORA | <ul style="list-style-type: none"> • Ensure that the Amendment is used only to make changes within a budget period already governed by an existing BA • Ensure that all other information matches the original BA, and that the exact same Agreement Reference # is used • Return partially executed BA to Prime Institution • Obtain fully executed BA Amendment from Prime Institution • Provide copy to Department Administrator (if they haven't received it already) • Upload in GMAS Notice Repository to replace the Partially Executed or Draft BA previously logged |
| 3 | OPS | <ul style="list-style-type: none"> • Log Notice |
| 4 | ORA | <ul style="list-style-type: none"> • Review and ensure that all other information matches the original BA, and that the exact same Agreement Reference # is used • Obtain fully executed BA Amendment from Prime Institution |
| 5 | ORA | <ul style="list-style-type: none"> • Provide fully executed copy to Department Administrator • Upload in GMAS Notice Repository to replace the Partially Executed or Draft BA previously logged |
| 6 | OPS | <ul style="list-style-type: none"> • Process appropriate revision in GMAS |

12. Outgoing Billing Agreements

- Harvard is the Prime Institution (prime recipient of award or funding),
- Person is primarily employed by an Affiliate Institution and working on the funded project at Harvard,
- Funds are going out from Harvard to the Non-Grantee Institution (Affiliate Institution is being reimbursed for personnel costs).

| Step | Role | Task/Activity |
|------|-------------|---|
| 1 | Dept | <ul style="list-style-type: none"> • Drafts BA using the appropriate template • Sends the draft to Non-Grantee Institution admin contact to update the effort, expense section, and budget • Confirms Non-Grantee researcher/trainee is not on the Harvard payroll • Visitor Participation Agreement (VPA): Ensure the Non-Grantee researcher/trainee signs the appropriate VPA & upload signed copy to the person's profile in GMAS • Adds the person to the Research Team in GMAS (Sponsored Funds), if they were not added at the proposal stage • Route BA and supporting documents to ORA for review: billingagreements@hms.harvard.edu |
| 2 | ORA | <ul style="list-style-type: none"> • All GMAS approvals should be cleared by the DLLMU at the time of award, but if any approvals are open, the DLLMU will be notified to clear them • Check VPA in GMAS • Reviews BA and if needed, requests department to make any corrections • Routes BA & supporting documents to contact at Non-Grantee Institution for signature |
| 3 | Non-Grantee | <ul style="list-style-type: none"> • Reviews BA and requests any necessary corrections • Partially executes BA and returns to ORA |
| 4 | ORA | <ul style="list-style-type: none"> • Fully execute BA can be signed electronically. Non-Grantee Institution and Dept should receive a copy automatically via electronic signature. • Upload a copy of the fully executed BA to the GMAS Segment Homepage document repository |
| 5 | Dept | <ul style="list-style-type: none"> • Post BA expenses using GL object codes: include person's name, HUID in description & Affiliate Abbreviation. <ul style="list-style-type: none"> ▶ 7900 – Hospital Personnel Professional Services ▶ 7940 – Mgt Consulting Professional Services (MIT & non-hospitals) ▶ 7980 – Grad student trainee's compensation ▶ 8648 – Grad student tuition |
| 6 | Dept | <ul style="list-style-type: none"> • Enters Standing PO in Buy-2-Pay (Link: Amount-Based & Standing Order Guidance) • Invoices received from Non-Grantee Institution, obtain faculty approval and then enter a cost receipt against POs in Buy-2-Pay (Link: Receiving & Returning/Adjusting Guidance) |

13. Amendment – Outgoing Billing Agreement

- Only for changes within the current budget period already covered by an existing agreement.
- A new BA is required for all other situations, like adding subsequent years of funding, extension period, or adding a new funding source.

| Step | Role | Task/Activity |
|------|------|--|
| 1 | Dept | <ul style="list-style-type: none">• Draft BA Amendment or obtain the draft BA Amendment from Non-Grantee Institution• Ensure that the BA Amendment information matches the Department's, the employee, and the Non-Grantee Institution's understanding of the changes• Ensure that all other information matches the original BA, and that the exact same Agreement Reference # is used• Send to ORA for review and partial execution |
| 2 | ORA | <ul style="list-style-type: none">• Ensure that the Amendment is only making changes within a budget period already governed by an existing BA• Ensure that the original fully executed agreement is in GMAS when approving to send to Non-Grantee Institution• Include the original fully executed agreement when sending to Non-Grantee Institution• Follow same steps outlined earlier in this document to complete the process and upload the fully executed BA Amendment into GMAS |

14. Invoicing & Close-Out

Invoicing

The Non-Grantee institution will invoice the Prime Institution where the work and research funding reside. Below are some considerations:

- **Frequency:** No more than monthly
- **Expenses:** Only expenses budgeted under the BA
- **Final Invoices:** within 60 days after the agreement budget end date. There are circumstances where invoices are due earlier to accommodate sponsor requirements (i.e. subaward is the funding source at the Prime Institution).
- Invoices are submitted to the Financial Contact on the BA
- Prime Institutions issue payment in timely manner

15. Exceptions

There are circumstances where questions arise whether a BA may be an appropriate arrangement. We review these requests and situations on a case-by-case basis. Below is a list of exceptional circumstances we have encountered for BA and must be evaluated by ORA:

- **Reverse Billing Agreement** – situations where funds for salary and fringe is sent out via subaward to a Non-Grantee Institution, and then comes back via BA to pay employees of the Prime Institution. This arrangement is considered as the only available option for the Non-Grantee Institution and is strongly discouraged.
- **Faculty transfer** – establishes BA for trailing students when their faculty mentor has changed institutions and a BA is necessary for them to complete their degree requirements.

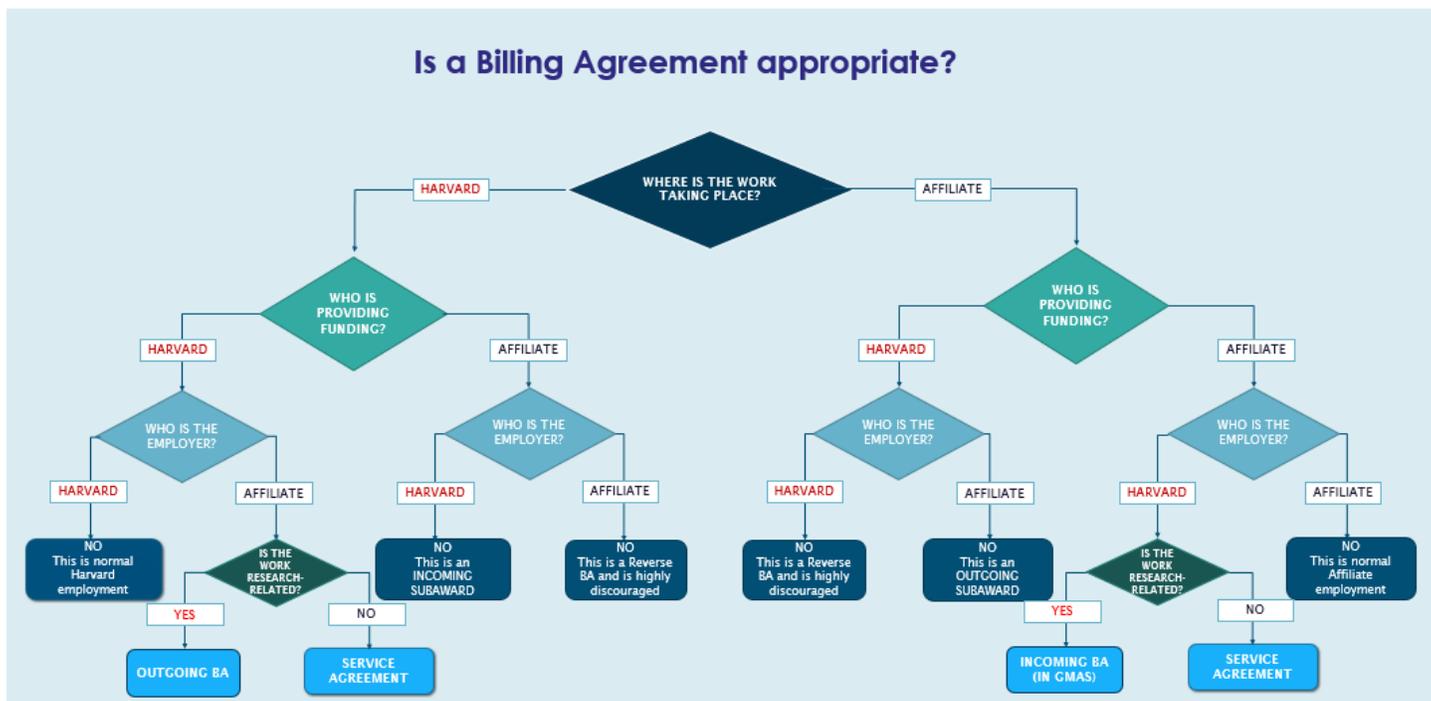
- **100% Effort on BA** – under exceptional circumstances there are arrangements for 100% effort. In these cases, BAs are limited to a specific time, ideally one year or less. Ongoing 100% effort signifies that the Prime Institution should employ the person. Training BAs are an exception.
- **0% Effort on BA** – BAs must list the committed effort % associated with the compensation. There may be exceptions for over-the-cap BAs and other circumstances.

16. Service Agreements

- Service Agreements are intended for **non-research activities** that includes teaching, administration, and leadership. For research activities, use the BA template.
- Service agreements should be tailored to the circumstances and requirements of the participating departments, the various collaborative arrangements they may use, and the complexity of the service relationship. See [Appendix F](#) for additional information on the Service Agreement Clauses from the template.
- Amendments can be used for changes within the current budget period and continuations. A new service agreement is required for a change in role and scope of work for the appointee.
- Service Agreements are not entered into GMAS.

| Step | Role | Task/Activity |
|------|-------------|---|
| 1 | Dept | <ul style="list-style-type: none"> • Drafts the Employee Services Agreement template |
| 2 | HMS Finance | <ul style="list-style-type: none"> • For Restricted Funds: review & approve the BA and statement of work to ensure it aligns with the terms (for restricted funding) and there are sufficient funds |
| 3 | ORA | <ul style="list-style-type: none"> • Confirms in MARS the employment status of the individual • Routes Service Agreements to contact at Non-Grantee Institution to partially execute. • Enters a record in DASHBOARD with status update |
| 4 | Non-Grantee | <ul style="list-style-type: none"> • Review and partially sign the Service Agreement |
| 7 | ORA | <ul style="list-style-type: none"> • Fully execute Service Agreement electronically • Non-Grantee Institution and Dept receive a copy of the fully executed agreement |
| 8 | ORA | <ul style="list-style-type: none"> • Upload to GMAS/People Profile • Update the DASHBOARD as “Complete” |
| 9 | Dept | <ul style="list-style-type: none"> • GL Object Codes: include person's name and HU ID in description & Affiliate Abbreviation. Prepares a separate transaction for each person <ul style="list-style-type: none"> ▶ 7900- Hospital Personnel Professional Services ▶ 7940 - Mgt Consulting Professional Services (MIT & non-hospitals) |
| 10 | Dept | <ul style="list-style-type: none"> • Enters Standing PO in Buy-2-Pay (Link: Amount-Based & Standing Order Guidance) • Invoices received from a Non-Grantee Institution, obtain faculty approval and then enter a cost receipt against POs in Buy-2-Pay (Link: Receiving & Returning/Adjusting Guidance) |

Appendix A – Billing Agreement Decision Tree



VISUAL DESCRIPTION:

A decision tree outlining the criteria to determine when billing agreements should be used. The criteria are summarized below based on the location of where the research is taking place.

When research is taking place at Harvard:

- No Billing Agreement: Research taking place at Harvard, Harvard is providing funding, Harvard is the employer
- Outgoing Billing Agreement: Research taking place at Harvard, Harvard is providing funding, Affiliate is the employer
- Service Agreement: Non-research related activities taking place at Harvard, Harvard is providing funding, Affiliate is the employer.
- Incoming Subaward: Research taking place at Harvard, Affiliate is providing funding, Harvard is the employer
- Not a Billing Agreement: Research taking place at Harvard, Affiliate is providing funding, Affiliate is the employer

When research is taking place at the Affiliate Institution:

- Not a Billing Agreement: Research taking place at the Affiliate Institution, Harvard is providing funding, Harvard is the employer
- Outgoing Billing Agreement: Research taking place at the Affiliate Institution, Harvard is providing funding, Affiliate is the employer
- Incoming Billing Agreement (In GMAS): Research taking place at the Affiliate Institution, Affiliate is providing funding, Harvard is the employer

- Service Agreement: Non-research related activities taking place at Affiliate Institution, Affiliate is providing funding, Harvard is the employer
- No Billing Agreement: Research taking place at the Affiliate Institution, Affiliate is providing funding, Affiliate is the employer

Appendix B – Billing Agreement Template Required Data

| Data Fields | Description |
|--|---|
| Prime Institution | Institution directly receiving the sponsored award and where the work is performed Use the Legal Entity Name, i.e., Presidents and Fellows of Harvard College |
| Non-Grantee Institution | Institution staff/student is employed |
| Prime Award No. | Funding Source Award Number; N/A for Non-Sponsored |
| ALN No. | Federal Awards specific, located on the Notice of Award; N/A for Non-Sponsored |
| Awarding Agency | Funding Source; N/A for Non-Sponsored |
| Prime Principal Investigator | Principal Investigator on the Award, Funding Source |
| Non-Grantee Principal Investigator/Researcher | Faculty, Researcher, Staff, Trainee, or Student the BA covers |
| Agreement Reference # | Institutional Reference No. for invoices (Dept Admin determines) |
| Effort % | Effort Commitment for the period of performance |
| Effort Reduction Checkbox | Check if Non-Grantee Principal Investigator (researcher/trainee) is named as Key Personnel on the Notice of Award & prior approval is required for effort reduction |
| Salary | Total Salary for the budget period |
| Fringe | Total Fringe for the budget period. Use employer's fringe rate (Non-Grantee Inst) |
| Stipend | For Training Grants - must match Statement of Appointment PHS 2271 |
| Tuition/Fees | For Training Grants - Enter Tuition/Fee for Budget Period, see NIH Budget |
| Training Related Expenses | For Training Grants - Enter Health Insurance and Travel Expenses |
| Total Authorized Amount | Total Salary + Fringe or Total Stipend + Tuition/Fees +TRE |
| Current Budget Period | Period of Performance |
| Estimated Project Period | Anticipated Period of Performance, may exceed budget period |
| Grant Period | For Training Grants - enter the award period |
| Appointment Period | For Training Grants - enter the appointment period for trainee matching PHS2271 |
| Project Title | Matches the Prime Award Project Title |
| Statement of Work | Agreed upon scope of work under BA to be performed |
| Administrative Contact | Department Administrator, Grant Manager |
| Financial Contact | Department Contact who will manage the invoice process |
| Authorized Official | Authorized Institutional Signatory (ORA Representative, Contracts Specialist) |
| Terms & Conditions | Non-negotiable, do not edit |

Appendix C – GMAS Request Entry Guidance

- If this is the first year the Harvard researcher/trainee is being supported under this training grant under this process, enter an initial request in GMAS. If a GMAS Project for this BA activity already exists, GMAS request entry is not necessary.
- If the previous BA was managed outside of GMAS, the next/current year can be set up in GMAS going forward.
- Leave all Optional fields blank.

| Fields | Enter Information |
|---|---|
| Org | Home Org of researcher/trainee covered under the BA |
| Project Type | Billing Agreement |
| Principal Investigator | Researcher/trainee covered under the BA |
| Proposal Title | "Billing Agreement: [Name of researcher/trainee covered by BA +Title of Grant from BA]" |
| Sponsor | Prime Institution (Affiliate) name |
| Harvard is a subrecipient | Yes – sponsored funds No - If the BA is issued using non-sponsored funds and the funded activity is research-related, answer "No" |
| Prime Sponsor | Prime Sponsor of the award funding the work on the BA |
| Prime PI | Prime PI listed on the award or funding source |
| Start date | Start Date of work under on BA. Unclick "Automatically generate budget periods" for partial period (less than 1 year). |
| Number of periods | Enter the full number of periods that the individual is anticipated to work on this project (use the estimated project period from the BA to determine the number of periods) |
| Discipline | Other |
| A21 Code | A03 (Other Sponsored Activity (OSA)) |
| Preponderance of Effort | Off-campus |
| Has this proposal been submitted without institutional review and approval | No |
| Due to Sponsor | One week from request date |
| PI Information Entry | Effort level listed on BA |
| Proposed Effort for PI | |
| Proposed Effort Entry | List total directs from BA |
| Budget Entry | |
| IDC rate | 0% |
| Approval Questions | No to everything |
| School Questions | No to everything |
| Lock and Route for signatures: | Obtain signatures from PI and Department Approver (include ORA Contracts Specialist as Sponsored Programs Approver) |

Appendix D – Special Account Set-Up Considerations

- Bypass “Confirm Research Team” and complete the account set up in GMAS.
- Select “Billing agreement” as the Funding Instrument to ensure the fund type defaults to the NE range (200000-249999).

| Fields | Enter Information |
|-----------------------|--|
| Award number | Reference number from the BA |
| Fund | NE Range (200000-249999) |
| Account Set Up | Year Logic |
| A21 Code | A03 |
| HUIC F&A | 0% |
| IDC Basis | TDC |
| Root Value | <ul style="list-style-type: none"> • Principal Investigator or Faculty Root • For Trainees, use the Root value of the Harvard mentor or supervisor • For post docs or other situations, use the root value of the PI whose lab they primarily work in • If none of these scenarios apply, the Department Chair can be listed as the PI, so that a Root Value can be obtained |

Appendix E – BAs vs Other Mechanisms

Not all characteristics will be present in every case. Judgment should be used in each individual case in determining which of each of these mechanisms is most appropriate for each case. The same definitions are also applicable to non-Federal awards.

Billing Agreement

| Definition | Description | Criteria |
|---|---|--|
| Billing agreements are legal agreements between institutions to facilitate the reimbursement of personnel expenses for researchers and trainees of one institution working on a project at the other institution. | <p>There are different Billing Agreements:</p> <ol style="list-style-type: none"> 1. Salary BA (salary & Fringe) 2. Trainee Stipend BA (Stipend, Tuition & Fees, and TRE) | <p>For Billing Agreement, the following criteria must be met:</p> <ul style="list-style-type: none"> • The other institution must be a Harvard University Affiliate Institution. • Person is primarily employed by Harvard University or the Other Affiliate Institution. • Work is being done at Prime Institution, the Affiliate Institution or Harvard, where the Project/Funds reside. • Harvard/Affiliate Institution will invoice for the person’s actual effort for reimbursement. • No Indirect Costs. • No Carryforward or Extension. |

Subcontract

| Definition | Description | Criteria |
|---|--|---|
| <p>A subcontract or subaward is an agreement with a third-party organization to perform a portion of a research project or program using its own facilities and resources which often requires sponsor approval. Recipients of subawards – subrecipients – often perform substantive work that is integral to the performance of the project and is differentiated from services performed by vendors or consultants in terms of both responsibility and autonomy of the subrecipient organization. The agreement terms for a subaward (also referred to as sub-grants or subcontracts) are governed, in part, by the award agreement funding the overall project. The University has both incoming subawards, for which Harvard is the subrecipient, and outgoing subawards, in which Harvard contracts out a portion of a university-based project.</p> <p>Subcontractor means an entity that receives a subaward from a pass-through entity to carry out a part of a program; but does not include an individual that is a beneficiary of such program.</p> <p>Subrecipients are responsible for performing a substantive portion of the program, as opposed to providing goods and services. See Subrecipient vs. Contractor Guidance for additional details.</p> | <p>Subrecipients:</p> <ol style="list-style-type: none"> 1. Determines who is eligible to receive what financial assistance; 2. Has its performance measured against whether the objectives of the program are met; 3. Has responsibility for programmatic decision-making; 4. Has responsibility for adherence to applicable program compliance responsibilities; and 5. Uses the funds to carry out a program of the organization as compared to providing goods and services for a program of the pass-through entity. | <p>A subrecipient relationship is appropriate when:</p> <ul style="list-style-type: none"> • Substantive, programmatic work or an important or significant portion of the research program or project is being undertaken by the other entity. • The research program or project is within the research objectives of the entity. • The entity participates in a creative way in designing and/or conducting the research. • The entity retains some element of programmatic control and discretion over how the work is carried out. • The entity makes independent decisions regarding how to implement the requested activities. • There is the expectation that the entity will retain ownership rights in potentially patentable or copyrightable technology or products that it produces while fulfilling its scope of work. • Publications may be created or co-authored at the entity. |

Contract

Vendor/Services Agreement (Contractor)

| Definition | Description | Criteria |
|--|---|--|
| <p>Refers to the legal instrument used by an awardee to procure property or services (either from an entity or an individual) needed to carry out the project or program under an Award.</p> <p>To qualify as an individual vendor of consulting services, the person must have no employment relationship with Harvard, either academic or administrative in nature. The following Independent Contractor Questionnaire (ICQ) must be completed by the local Dept and submitted to HR to make the Independent Contractor determination.</p> <p>All proposed contracting engagements with individuals must be reviewed and approved per Harvard's IC Policy BEFORE engaging the individual, to ensure proper classification. HR should be consulted.</p> | <p>Contractors -</p> <ol style="list-style-type: none"> 1. Provides goods and services within normal business operations; 2. Provides similar goods and services to many different purchasers; 3. Operates in a competitive environment; 4. Provides goods or services that are ancillary to the operation of the program <p>For contracts with individuals, if it is determined that IC is not an option, the alternative would be to hire the individual. HR has employee classification options that may be appropriate.</p> | <ul style="list-style-type: none"> • A contractor (vendor) relationship (including that of an individual acting as a vendor of consulting services) is appropriate when: • The entity is providing specified services in support of the research program. • The entity has not significantly participated in the design of the research itself but is implementing the research plan of the Harvard investigator. • The entity is not directly responsible to the sponsor for the research or for determining research results. • The entity markets its services to a range of customers, including those in non-academic fields. • Little or no independent decision-making is involved in the design and conduct of the research work being completed. • The agreement only specifies the type of goods/services provided and the associated costs. • The entity commits to deliverable goods or services, which if not satisfactorily completed will result in nonpayment or requirement to redo deliverables. • The expectation is that the work will not result in patentable or copyrightable technology or products that would be owned by the entity. • In the case of an individual vendor of consulting services. |

Collaboration Agreement

| Definition | Description | Criteria |
|---|---|--|
| <p>A collaboration agreement is a legal agreement between two parties that outlines the nature of the work, the expectations and obligations of the parties, ownership of the work product, and allocation of costs and liabilities within the context of a collaborative research project</p> <p>A Collaboration Agreement describes the actions that each organization has agreed to undertake and defines the obligations each party has to the others participating in the research effort.</p> | <p>Collaboration Agreements may include terms governing the following:</p> <ul style="list-style-type: none"> • A general description of work to be conducted. • Responsibility for costs • Publication of the consortium's research results. • Intellectual property rights arising from the consortium's research. • Compliance with export control and other laws and regulations. • Rights and procedures to terminate. | <p>A collaboration agreement may be appropriate when:</p> <ul style="list-style-type: none"> • Harvard is engaging in collaborative research with one or more entities • The research is in connection with a sponsored project or otherwise involves the sharing of research data, materials, facilities/equipment, or other resources • The parties contemplate IP will arise from the collaborative research |

Employee Service Agreement

| Definition | Description | Criteria |
|---|--|---|
| <p>A legal agreement between Harvard and an Affiliate Institution for Teaching, Administrative, and Leadership activities.</p> <p>Only personnel expenses (salary & fringe) can be included in the Employee Services Agreement for non-research related activities.</p> | <ul style="list-style-type: none"> • Employee Services Agreements govern non-research related activities • Agreement will be between Harvard, and an Affiliate Institutions. | <p>The parameters for an Employee Services Agreement are similar to those for a Billing Agreement.</p> <ul style="list-style-type: none"> • The other institution must be a Harvard University Affiliate Institution. • Person is primarily employed by Harvard University or the Other Affiliate Institution. • Harvard/Affiliate Institution will invoice for the person's salary & fringe reimbursement. • No Indirect Costs. • No Carryforward or Extension. • Amendments are allowed for continuation. |

Appendix F – Billing Agreement Checklist

| OUTGOING BAs | INCOMING BAs |
|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Harvard is the Prime Institution <input type="checkbox"/> Non-Harvard Affiliate researcher/trainee working at Harvard <input type="checkbox"/> Fringe: Use Non-Grantee rates | <ul style="list-style-type: none"> <input type="checkbox"/> Harvard is the Non-Grantee Institution <input type="checkbox"/> Harvard researcher/trainee working at Prime Institution <input type="checkbox"/> Fringe Rate: Use Harvard rates <input type="checkbox"/> Advance Account: Highly Encouraged |
| <p>Billing Agreement Checklist:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Separate BAs for each personnel & funding source/account <input type="checkbox"/> The BA must have clear start and end dates <input type="checkbox"/> Statement of Work confirming that the work is taking place entirely at the Prime Institution <input type="checkbox"/> Trainee Stipend Billing Agreement: Statement of Appointment Form (PHS 2271) and Name of Mentor are required <input type="checkbox"/> Signature of authorized institutional official | <ul style="list-style-type: none"> <input type="checkbox"/> Billing Agreement Checklist: <input type="checkbox"/> Separate BAs for each personnel & funding source/account <input type="checkbox"/> The BA must have clear start and end dates <input type="checkbox"/> Statement of Work confirming that the work is taking place entirely at the Prime Institution <input type="checkbox"/> Trainee Stipend Billing Agreement: Statement of Appointment Form (PHS 2271) and Name of Mentor are required <input type="checkbox"/> Signature of authorized institutional official |
| <p>Due Diligence –</p> <ul style="list-style-type: none"> <input type="checkbox"/> Check employee status of non-Harvard personnel <input type="checkbox"/> Budget Period of performance must fall within the period of the sponsor obligated period <input type="checkbox"/> Sufficient funds to cover commitment <input type="checkbox"/> Visitor Participation Agreement (VPA) for non-Harvard researchers and trainees (check VPA guidance for exceptions) | <p>Due Diligence –</p> <ul style="list-style-type: none"> <input type="checkbox"/> Check employee status to confirm BA is for a Harvard Employee <input type="checkbox"/> Review funding source (Awarding Agency) is not a Harvard Subcontract to the Prime Institution to avoid Reverse Billing Agreements |
| BILLING AGREEMENT PROCESS | BILLING AGREEMENT PROCESS |
| 1. Dept works with Non-Grantee contact to complete BA template and confers with ORA to determine whether the requirements for an Outgoing BA are met. | 1. Dept obtains draft BA from Non-Grantee counterpart and engages with ORA to determine whether the requirements for an Incoming BA are met. |
| 2. Dept sends draft BA template ORA for review | 2. Dept enters request in GMAS and upload BA Request Form |
| 3. ORA conduct due diligence and sends draft to Non-Grantee contact for review & forward to their authorized official to partially execute. | 3. Dept submits Draft BA to ORA for review by Locking and Routing Request in GMAS. |
| 4. Non-Grantee sends partially executed contract ORA | 4. ORA review GMAS information and ‘Submits to Sponsor.’ |
| 5. ORA official fully executes and sends all parties signed BA for their records. | 5. ORA partially executes BA and sends to Prime Institution |
| 6. Dept checks VPA is uploaded in GMAS & individual is added to Research Team for sponsored awards. | 6. Once Fully Executed BA is received, ORA sends signed BA to all parties. |
| 7. Dept receives monthly invoices from Non-Grantee. | 7. ORA create Datasheet for Action Memo issuance* |
| 8. Dept review, pays invoice, reconciles, and close-out BA accounts. | 8. OPS creates GMAS Account and issues Action Memo. |
| | 9. Dept expense and reconciles account monthly. |
| | 10. OSP Research Finance issues monthly invoices and follow-up on ARs. Incoming BA outside GMAS are invoiced by HU Dept. |
| | 11. OSP closes out GMAS Accounts with HU Dept. |

Appendix G – Service Agreement Clauses

| No. | Principles | Description |
|-----|-------------------------------------|--|
| 1 | Scope of Service | <ul style="list-style-type: none"> The Scope of Service describes the activities to be undertaken by the Employee and outlines the roles and responsibilities of the Employee. |
| 2 | Compensation | <ul style="list-style-type: none"> Will list out base salary, committed effort %, fringe benefits, and payment arrangements. |
| 3 | Term and Termination | <ul style="list-style-type: none"> Each Party is able to terminate with an appropriate amount of notice (usually 30-60 days) to the other Party. |
| 4 | Use of Harvard Names | <ul style="list-style-type: none"> Each Party must receive approval in order to use the name of the other, except as required to meet financial or regulatory reporting obligations. In any required disclosures, the relationship of the Parties must be accurately and appropriately described. |
| 5 | Intellectual Property | <ul style="list-style-type: none"> Ownership of IP follows inventorship. (If employees of Affiliate Institution are the sole inventors, the employees own the IP. If employees of the Affiliate Institution and Harvard University together are the inventors, both parties jointly own the IP. Control of prosecution, licensing strategy, etc. of jointly owned IP are set forth in a separately negotiated and execute Inter-Institutional Agreement once the nature of such jointly owned IP is known. Copyright in authored publications is owned by the authors so that they may assign to the journal as required in order to publish. |
| 6 | Notices | <ul style="list-style-type: none"> Require parties to the contract to notify each other to make them aware of any situations which might come up, i.e. termination, renewals, defaults, amendments, etc. |
| 7 | Binding Effect | <ul style="list-style-type: none"> Bind non-assigning parties to perform certain obligations in a way that benefits the assignee. As a result, the assignee is also bound to perform. |
| 8 | Governing Law | <ul style="list-style-type: none"> Research performed by each Party is governed by the laws of the jurisdiction in which the research is performed. Each Party agrees to comply with all laws applicable to their research. Governing Law and Venue is neutral and does not unfairly advantage either Party in the collaboration. |
| 9 | Assignment | <ul style="list-style-type: none"> Neither party can transfer rights, property, or obligations to another. |
| 10 | Entire Agreement; Amendments | <ul style="list-style-type: none"> This Agreement supersedes any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter and constitute the sole and only agreements between the parties with respect to the said subject matter. |
| 11 | Severability | <ul style="list-style-type: none"> This provision allows certain parts of the contract to remain in effect even if others are invalid or unenforceable. |
| 12 | Waiver | <ul style="list-style-type: none"> A document through which one party agrees to release another party from legal responsibility or gives up a particular right or privilege. |
| 13 | Relationship of the Parties | <ul style="list-style-type: none"> Describes the relationship between the parties as a result of the agreement. It makes it explicit that that there is no special relationship between the parties (no partnership or employee/employer relationship for example). |
| 14 | Counterparts | <ul style="list-style-type: none"> Each party can execute a different copy of the contract, but all the copies together form a single contract. Usually, all the signature pages are gathered with one copy of the contract. |

Appendix H – Additional Resources

| RESOURCES | HYPERLINKS |
|---|---|
| Agreement Templates | <ul style="list-style-type: none"> • Agreement – Salary BA • Agreement – Trainee Stipend BA • Agreement – Employee Service Agreement |
| Authorized Signers | <ul style="list-style-type: none"> • Ti Tang, Contracts Specialist • Kevin Ritchie, Associate Director, Grants & Contracts |
| Billing Agreement Affiliates Guidance | <ul style="list-style-type: none"> • Research Billing Agreement Guidance |
| HMS Billing Agreement Email | <ul style="list-style-type: none"> • billingagreements@hms.harvard.edu |
| List of Affiliate Institutions | <ul style="list-style-type: none"> • Affiliate Institutions |
| Participation & Visiting Participation Agreement/Guidance | <ul style="list-style-type: none"> • PA & VPA Agreements • VPA Guidance |