

Research Billing Agreement Guidance

Introduction

This document is intended to provide guidance to Affiliated Institutions on salary and training grant billing agreements. This guidance details the purpose of a billing agreement, the requirements to establish a billing agreement, and the roles and responsibilities associated with a billing agreement.

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1. Overview

A billing agreement (BA) is a binding obligation between two local institutions that is utilized when an investigator/researcher or trainee (the “Non-Grantee Employee”) is an employee of one institution (the “Non-Grantee Institution”) and is performing work at another local institution (the “Prime Institution”). Among the affiliated institutions who do business regularly, the billing agreement is an efficient reimbursement mechanism which helps avoid the issuance of dual paychecks and benefit plans.

Subcontracting vs Billing Agreement

A formal subcontracting arrangement is necessary when non-personnel expenses are required or when the scientific work on a sponsored project is conducted at an institution that is not the prime recipient of a sponsored award. A subcontract protects both institutions and ensures agreement with sponsor’s assurances and certifications and agreement with all institutional, federal and sponsors’ regulations.

Who is eligible for a billing agreement?

The use of a billing agreement is appropriate when an investigator has a dual appointment and is performing work on a research project at the institution that is not the investigator’s employer. Billing agreements may also be used for other supporting staff, provided **both** institutions’ policies allow.

Billing agreements are for the reimbursement of salary and fringe for actual committed effort to the investigator’s/researcher’s employer. F&A costs are not recoverable as overhead costs are not incurred at the Non-Grantee Institution. Although some billing agreements may have unique aspects, they generally consist of the following circumstances:

- PI with dual appointment status (or supporting staff member) receives salary exclusively from the Non-Grantee Institution.
- Research for the project will be conducted entirely at the institution where the grant is awarded (Prime Institution).
- The Non-Grantee Institution receives reimbursements for personnel expenses from the Prime Institution for actual payroll costs.
- Billing agreements are not to be used to circumvent subcontracts or avoid incurring F&A costs.

The figure below diagrams the inter-institutional relationship between the Prime and Non-Grantee Institutions under a billing agreement.



What are some institutional considerations for a billing agreement?

A billing agreement should be identified at the proposal stage of an award. The proposal would include the personnel costs in the budget, the statement of work in the budget justification, and satisfy all institutional and sponsor compliance requirements. The Prime Institution collects assurances for individuals who are responsible for the design, conduct, or reporting (DCR) of the research, including individuals who have effort on a billing agreement.

2. Definitions

Affiliated Institutions: A network of vital partners in clinical, research, and academic institutions across Boston and Cambridge collaborating in research and teaching.

Prime Institution: Institution where research is performed and the source of funding for the billing agreement.

Non-Grantee Institution: Institution where faculty/staff/trainee is employed.

Key Personnel: When a Non-Grantee Principal Investigator/Employee is named as Key Personnel on the funding source & prior approval is required for effort reduction per the terms of the award.

Budget Period: Period of performance covered under the billing agreement.

Estimated Project Period: Estimated period of performance for researcher/staff between two institutions. New billing agreements are required for each budget period.

Statement of Work: A brief description of the scope of work agreed upon by PI and Non-Grantee employee to be performed at the Prime Institution.

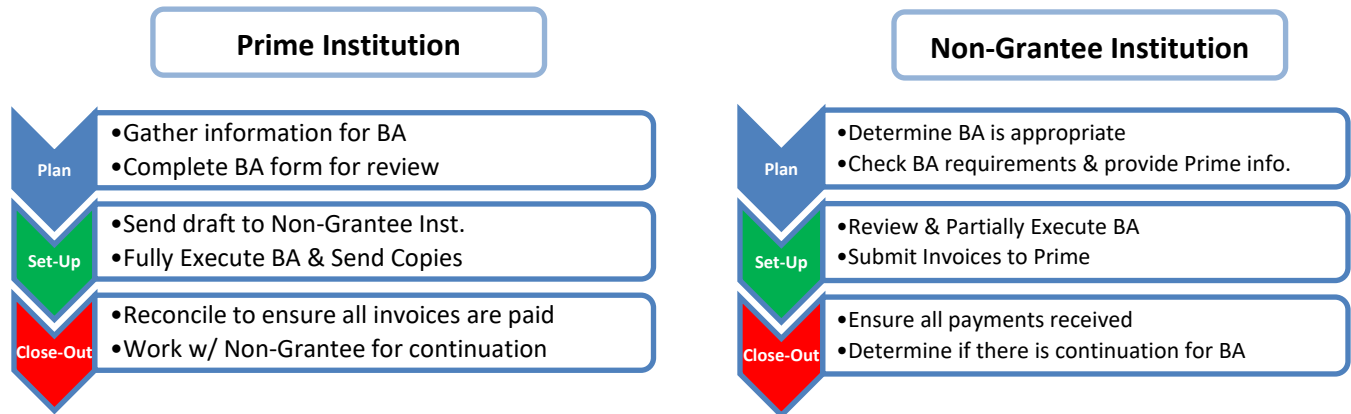
3. Harvard Affiliate Institutions¹

- 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
- Joslin Diabetes Center
- Massachusetts Eye and Ear
- Massachusetts Institute of Technology
- Massachusetts General Hospital
- McLean Hospital
- Mount Auburn Hospital
- Spaulding Rehabilitation Hospital
- The Broad Institute
- Veterans Affairs Boston Healthcare System

¹ The institutions listed are affiliated for the purpose of the billing agreement arrangements. The list is not all-inclusive as each institution may choose to make use of billing agreements with non-affiliated institutions.

4. Process

A high-level overview of the billing agreement process:



5. Requirements

List of Criteria

- **Not a Subcontract:** Confirmation at time of grant application/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.
- **Location:** This is a key requirement for billing agreements. The project work is performed entirely at the Prime Institution only, and not at the institution paying the investigator's or supporting staff member's salary.
- **Research-related:** The project is research-related and issued from research-related funds.
- **Allowable Costs:** Reimbursement for the costs of salary and fringe benefits are allowed. Graduate student stipend and tuition ² may be paid in lieu of salary and fringe from non-T32 funding sources. Use the appropriate expense categories and enter N/A for ones not used for each agreement.
- **Effort:** Reimbursement is based on actual effort %.
- **Detailed Budget**
- **Detailed Statement of Work (SOW)**
- **Payment:** Invoices are payable upon receipt.

Special note:

In the case of remote work, the question for the Non-Grantee faculty/staff is, if the work was not remote, at which institution would the work be performed?

Documentation

- The Billing Agreement templates are used by Affiliated Institutions to establish an agreement.

² Stipend & tuition on non-T32 funding sources: stipend & tuition can be reimbursed if the funding source and prime institution allows.

Required Signatures

- Institutional Authorized Signature

6. Checklist

The Billing Agreement must include the following:

- Legal names of both institutions
- Sponsor name and prime award number, if applicable
- Assistance Listing Number– (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
- Period of performance (Budget Period)
- Estimated Project Period
- Percent effort committed
- Detailed budget with a breakdown of salary and fringe benefits costs (or stipend and tuition as appropriate)
- Total Authorized Amount
- Statement of Work provided by Principal Investigator (PI) and approved by Non-Grantee researcher/trainee.
- Contact information for both institutions (PI, Personnel, Administrative, Financial, and Signatory)
- Invoicing information: Financial contact name and billing address of institutional official responsible for processing invoice and/or institutional invoice mailbox address
- Other supporting documentation

7. Roles and Responsibilities

The below outlines the roles and responsibilities of the Prime and Non-Grantee institutions regarding billing agreements.

Prime Institution

- Ensure sponsor has obligated funding and sufficient funding to support the billing agreement.
- Faculty are responsible for identifying who is working on their projects and track their level of effort on a project. The Prime Institution does not report or certify effort for the Non-Grantee Institution's employee.
- Issue timely payment of invoices from Non-Grantee Institution

Non-Grantee Institution

- Ensure principals are **not** presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.
- Responsible for tracking and/or certifying effort for their own employees on billing agreements at another institution. If there is change in effort, the Prime Institution should be notified promptly and amend the billing agreement.
- Invoices the Prime Institution.

8. Exceptions

There are circumstances where questions arise as to whether a Billing Agreement may be an appropriate arrangement. The requests and situations are reviewed on a case-by-case basis. Below is a list of circumstances that require additional review and consideration:

- **Reverse Billing Agreement** – situations where funds for salary and fringe is sent out via subaward, and then comes back via a billing agreement. This arrangement is considered as the only available option for the institution.
- **Faculty transfer** – establishes a billing agreement for trailing students under faculty mentorship.
- **100% Effort on a billing agreement** – under exceptional circumstances there are arrangements for 100% effort. In these cases, billing agreements are limited to a specific time, ideally one year or less. 100% effort signifies that the Prime Institution should employ the person. Training billing agreements are an exception.
- **0% Effort on a billing agreement** – billing agreements must list an actual effort % associated with the compensation.

9. Training Grants

Overview

A billing agreement may be used to support trainee stipend and some research related costs when the trainee is employed by an affiliated institution and the NIH T32 Institutional Training Grant is awarded to a different 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 Prime 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 form shall be provided by the Prime Institution to the Non-Grantee institution as an attachment in the trainee Billing Agreement.
- The Prime Institution must verify the Trainee's Payback Agreement (PHS 6031) has been submitted to the Sponsor.
- Signatures by authorized institutional officials are required.
- Invoices are payable upon receipt.

Trainee BA Must Include:

- Name and billing address of institutional official responsible for processing invoice and/or institutional invoice mailbox address
- Sponsor name and identification number
- PI names
- Trainee Name

- Mentor Name
- Period of Performance
- Authorized funding by cost category
- Statement of Appointment (attachment)
- CFDA number

Documentation

- The Trainee Billing Agreement Template
- Completed Statement of Appointment form (as an attachment)

10. Invoicing & Close-Out

The Non-grantee institution will invoice the Prime Institution. Below are some considerations:

- Frequency: No more than monthly
- Expenses: Only expenses budgeted under the billing agreement
- Final Invoices: due within 60 days after the agreement budget end date. There are situations where the final invoices are due earlier than 60 days to accommodate the reporting requirements by the sponsor.
- Invoices are submitted to the Administrative Contact on the billing agreement Prime institutions issue payment in timely manner