

CBE Service Agreements Guidance & Policy

Purpose

To clarify the definition and purpose of service agreements and to outline procedures for their review and approval in CBE.

Definitions

Service Agreement: An agreement used when the UW provides services to a customer. Examples include scientific testing, training, program evaluation, curation services, conference hosting, consultation, field testing, presentation, technical assistance, or other non-sponsored academic or professional services.

Service agreements typically share the following characteristics:

- The primary benefit accrues to the customer. The activity is ancillary to a UW project, and the UW is not responsible for program objectives or progress
- Billing is based on a fee schedule, pricing list, per diem, or per-unit rate, often expressed hourly or per unit. This may include requests for bids or quotes.
- For federal customers, the government intends to own all rights to the data
- The external party refers to UW as a vendor, rather than a contractor, awardee, or grantee.
- The activity is not intended to result in publication or general dissemination of knowledge.

Customer: The recipient of goods and services provided by UW

Primary Service Provider (PSP): The faculty or staff member responsible for providing or coordinating the service. The PSP serves as the primary point of contact with the customer regarding the request for proposal, agreement draft, and statement of work.

Fiscal Contact: A Dean's Office representative who (1) submits the agreement request on behalf of the PSP, (2) creates or identifies the appropriate revenue budget, (3) coordinates procurement and payment into the Shared Environment, (4) communicates with the Customer Agreement Manager as needed, and (5) confirms when work under the agreement is complete. The fiscal contact may also communicate with the customer regarding the RFP and may review the agreement draft and statement of work.

Other Service Providers: Additional faculty, staff, or external contractors who assist the PSP in delivering the services.

UW Policy

[UW policy](#) defines service agreements as the sale of goods and services for a fee when those activities directly and substantially support the University's teaching, research, and public service mission. The UW may engage in such activities only when they are mission-aligned and do not compete with or undercut private businesses in the local community.

Pricing **must reflect the full cost of providing the service**, including institutional overhead, and should consider comparable market rates. Approval authority for service agreements rests with the dean unless otherwise delegated. Each category of goods or services must be reviewed individually to avoid unintended expansion of sales activities. New categories require explicit justification and dean-level review prior to implementation.

CBE Policy

To be legally binding, all service agreements must be reviewed and signed by an authorized signatory in the Dean's Office. Agreements that lack proper authorization may not be recognized by UW and may not provide legal protection to faculty or staff.

Approval timelines may extend beyond four weeks depending on the level of negotiation, required revisions, campus reviews, or customer procurement requirements.

Service agreements must fully recover all UW costs. UW does not subsidize services provided to external customers. Budgets must include:

- Applicable UW institutional overhead
- A 5 percent CBE assessment to cover contract oversight, including Workday setup, invoicing, and accounts receivable management.

Unlike sponsored research facilities and administrative costs, service agreement overhead is calculated on collected revenue rather than expenditures.

Departments and units may not generate profit from service agreements. These agreements are intended to be net revenue neutral and may not be used to support speculative research, training activities, or the generation of new intellectual property.

UW cannot guarantee perpetual protection of trade secrets. If a customer requires lifetime protection that can only be guaranteed by an individual, an [Outside Professional Work for Compensation](#) consulting agreement is the appropriate mechanism.

Compliance and Special Review Considerations

Additional reviews may be required depending on the nature of the work:

- **Export Controls:** Activities involving exports require review and approval by UW Export Control experts, which may affect the approval timeline.
- **Foreign Entity Reporting:** Under Section 117 of the Higher Education Act of 1965, UW must report certain foreign transactions. Foreign customers are reported quarterly by the

Dean's Office.

- Branding: Any agreement that references UW branding or provides mutual use of trademarks must comply with UW branding policies or receive approval from UW Trademarks and Licensing.
- Data Sharing: Agreements that involve sharing personal or protected data require careful assessment and may require a Data Processing Agreement. Student data remains subject to FERPA requirements.

Agreements that do not comply with CBE policy or that lack full disclosure may not be supported by the college or departmental staff.

Post-Execution Administration

Once an agreement is fully executed:

- The Dean's Office coordinates with the Office of Finance, Planning, and Budgeting to establish contract-specific worktags.
- The agreement is entered into Workday and a billing schedule is established according to contract terms.
- Invoicing occurs no more frequently than monthly.

The Dean's Office monitors invoicing and payment receipt. If payment is not received, Finance & Administration will determine appropriate collection actions. Any uncollected revenue that results in a deficit is the responsibility of the PSP to resolve using available funds or in coordination with the department chair.

Procedure

1. Project Planning (PSP)
 - a. Identifying all individuals contributing effort
 - b. Determine required systems or infrastructure.
 - c. Assess intellectual property, branding, data processing, export control, and customer procurement requirements.
 - d. Identify any special flow-through terms or conditions.

2. Budget Development (PSP)
 - a. Use the [CBE Rate Worksheet Template](#)
 - b. Include all applicable costs, including supplies, institutional overhead, taxes, and the 5 percent CBE assessment
 - c. Note that postdoctoral researchers may not work on service agreements
 - d. Rates must be at or above typical market rates and must not generate profit

3. Statement of Work Preparation (PSP)
 - a. Use Statement of Work [template](#)
 - b. Include scope of work, fees, deliverables, timelines, location, intellectual property terms, and contacts

4. Submission
 - a. Complete the [CBE Services Agreement Submission Form](#)
 - b. Attach the required budget, agreement, and statement of work templates

5. Dean's Office Review and Processing
 - a. Coordinate signature routing and execution
 - b. Distribute executed agreements to relevant parties
 - c. Establish the customer contract and billing schedule in Workday
 - d. Monitor accounts receivable and initiate collection actions if needed.

6. Department Responsibilities
 - a. Implement payroll changes or hires.
 - b. Monitor the contract budget
 - c. Notify the Dean's Office of discrepancies or required changes.

Effective Date: September 1, 2023

Last Review Date: September 1, 2023

Councils Review: November 2023

All-College Review: December 1-15, 2023

Revisions

- April 8, 2026: Revised for tone and clarity

Dean's Office Contact:

Rachel Ward, Associate Dean for Finance & Administration, wardrm@uw.edu

Discussion and Rationale

This section includes a summary of the points of concern raised during the review process.

“2.c. UW institutional overhead, location dependent” - Is this a new big change? Are you really proposing that simple consulting projects now require the 56% overhead?

- No, this comment refers to F&A. UW Institutional Overhead is 9-15.6% depending on whether it's an on- or off-campus project. This is standard and has been in place for more than 25 years.

“(2) the cost of the service must not be less than a typical market rate for that service, we cannot compete with local or other businesses,” - We've been following market rate for hourly services and typically coming in a bit lower than typical market rate as we're not aiming for profit. Market rate includes profit. How can we not profit yet still charge market rate? The answer is that profit is in the terms of a nonprofit, that the use of funds should support the mission of the org and thus extra funds can be used to pay for speculative research etc and training etc.

- It cannot be used for speculative research, training, etc. We can only charge for the services of the contract. We can neither make, nor lose money on these contracts. Other sources of funds should be used to support speculative research, training, etc.