

## Grants & Contract Services: Service Centers

A Service Center is defined as an internal “Cost Center” with specific rates approved by the Controller’s office and charged to all customers equally, both internal and external.

### Related Files

» [Payment Authorization Form](#)

No Service Center is authorized to undertake any work for a Customer prior to receiving formal authorization in the form of a Purchase Order, formal grant or contract from the Customer, or Credit Card authorization. When one of these formal authorizations is received by GCS, a BiTech project number will be established and the Service Center will be notified. At that time, and not before, the work may be done.

All forms of authorization must be accompanied with the following information required by DCAA auditors and also to assist in proper invoicing:

- The source (funding agency) of the *Customer’s* funds – if U.S. funds
- The Prime award number of *Customer’s* funds
- The CFDA number of the *Customer’s* funds
- The address of the place to send an invoice
- The start and stop date of the authorization
- The total amount (not to exceed) of that authorization

Any quote with a budget for \$10,000 or more must be submitted to the Customer as a formal WHOI proposal. There must be a budget in WHOI grants and a Green Sheet that is signed and routed according to normal procedures. The proposal letter must be co-signed by Claire L. Reid, Director, Grant & Contract Services. Reference numbers in the quote should include the WHOI grants proposal number, however the WHOI grants budget does not need to be included. The proposal will be forwarded to the Customer by GCS and internal copies will also be routed.

Quotes for less than \$10,000 shall be handled as follows

- The Department or Service Center personnel shall prepare a quote for the Customer. The method of delivery for the quote is optional – formal quote on letterhead, email, website. The quote shall include the number of ... samples, days, hours, uses, etc... multiplied times the established Service Center rate and the total costs for the Customer’s request. An Institution Fee must be included according to [the Fee Policy](#). The source of the funding should be determined prior to preparing the quote so that the proper fee can be assessed on the quote.
- Along with the quote, a PAYMENT AUTHORIZATION INFORMATION (PAI) form must be given to the Customer with instructions that it be completed and returned with the formal authorization for payment. The PAI form may be modified with a Service Center, department, or WHOI letterhead. It is suggested that the Service Center complete any of the information that is already known, especially those that receive requests via a website.
- Both the authorization and PAI should be returned by the Customer to the Department or Service Center personnel responsible for the bookkeeping for the Service Center. A Purchase Order number is not sufficient without a valid “official” copy of the actual purchase order.
- When the payment authorization and all information required by the PAI have been obtained, these documents are sent to Grant & Contract Services. This may be done via email or hardcopy. Email should be addressed to the Grant Administrator, Steve Murphy ([smmurphy@whoi.edu](mailto:smmurphy@whoi.edu)) and the Manager of GCS, Claire Reid ([creid@whoi.edu](mailto:creid@whoi.edu)). This will ensure that the email receives prompt attention should one of the above people be out of the office.
- GCS will establish the BiTech project number for this authorization and notify the Service Center, Department, and Accounts Receivable. The Service Center may indicate on the bottom of the PAI who should be the PI on the BiTech project number.
- When the work has been completed the appropriate Service Center Costs are distributed to the BiTech project number, and an invoice or charge to the credit card is generated by Accounts Receivable. Accounts Receivable will not generate invoices for any work done that does not have a valid BiTech project number with sufficient funds to cover the distribution. (Service Center Administrators should consistently check the FSR prior to performing the service to determine that the project has not expired and that it has a sufficient Available Balance to cover all proposed work.)
- The Service Center (or Department) is responsible for obtaining payment authorization and the information required on the PAI before beginning the work. If work is done without authorization, the Service Center is responsible for cleaning up the accounts – getting the PO or credit card information so that WHOI can receive the required payments. History has taught us that this is extremely difficult if the Customer has already received the results of the work.

### Not To Exceed Purchase Orders

It is possible for those Customers who are frequent users of a Service Center, to send to WHOI a "Not To Exceed (NTE) Purchase Order". This does not limit them to a single "job", but provides an "Upper Limit" amount against which the Service Center can charge for work over a specified period of time.

This is an option that the Customer must discuss with his/her own Purchasing Department. If it is chosen, the Purchase Order must contain the following elements:

A Start and Stop Date for allowable charges

A specified "Not to Exceed" dollar amount

The completed PAI form

In addition, it will likely have other stipulations imposed by the Customer. If this is the case, these stipulations should be carefully reviewed by the Service Center or Department. If needed, further review can be done by GCS.

When an NTE Purchase Order is in place, it is the responsibility of the Service Center to keep track of costs charged against it and to ensure that work performed does not exceed the dollar value remaining on the PO or go beyond the expiration date.

The choice to use an NTE Purchase Order or a restricted purchase order for a single job is the decision of the Customer and not of WHOI.

### **Credit Cards**

WHOI encourages the use of credit cards rather than purchase orders as a faster and more reliable way to receive the funds. However, it does not eliminate the necessity of sending a quote, receiving authorization from the Customer's Organization and all of the information on the PAI form, and establishing a BiTech project number to which the costs of the service can be distributed. These steps must be completed before the work is done. After the work is completed and the appropriate costs have been charged against the BiTech project number, then the costs will be charged against the credit card and a Receipt (rather than an invoice) will be sent to the Customer.

### **Excerpt from the Fee Policy**

In order to provide consistency between proposals submitted to any particular agency, WHOI sets forth the following rates to be used in calculating fee when it is not specified in the call for proposals. Fee is generally calculated as a percent of the Total Direct and Indirect Costs budget line:

U.S. Entities

Grant Funding (includes Federally-funded cooperative agreements)	0%
Government Contracts	5%
Non-government Cost Reimbursable Contracts	10%
Non-government Fixed Price Contracts	15%
Foreign Entities	15%
Subawards & Service Center	varies

Determined based on the prime source of funding as per above.

**NOTE:** Agencies can and do negotiate fees after proposal submission. If doubt remains as to whether fee applies, the fee should be listed.

The following statement may be included in the budget justification of proposals that will include a fee.

"The Woods Hole Oceanographic Institution is authorized to charge fees in accordance with existing government regulations. The Institution requests fees on both contracts and subcontracts. The fees are considered unrestricted funds and are utilized by the Institution Director and the Director of Research in the pursuit of science and engineering. These funds are used for cost sharing for instrumentation, for proof of concept research and development and a wide variety of other research related activities."

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