



PROCEDURE GUIDANCE AND CRITERIA FOR DISTINGUISHING BETWEEN SALES OF SERVICES AND SPONSORED PROJECTS

This procedure document has been developed to provide general guidance on the handling of sales of services and offers additional criteria for the [memo](#) dated February 1, 1988 from Chancellor Wharton to distinguish between Sales of Services and Sponsored Projects.

GENERAL GUIDANCE:

- Outside sales should directly and substantially relate to the mission of the University.
- Same services must not be obtainable from a private sector enterprise in the state of Louisiana.
- Pricing must recover the full costs of services, with the exception of University Service Centers and Recharge Centers using current approved rates.
- The department is responsible for pricing, billing, collecting and depositing revenue in a departmental revenue account. No profit can be earned and funds must be expended by the end of the fiscal year collected.
- Procurement reviews all proposed sales and provides signature by the individual with signature authority. An approved Sales of Service Agreement template is utilized when possible.

DISTINGUISHING BETWEEN SALES OF SERVICE AND SPONSORED PROJECTS:

Final decisions on the proper classification will be made by the Office of Sponsored Programs and the Office of Procurement, with consultation among these two units as needed.

Sponsored Project – Handled through the Office of Sponsored Programs

1. Requires specific intellectual input or scholarly expertise from LSU personnel.
2. Funds originate from a governmental source.
3. A formal proposal or award document exists, often requiring the endorsement of an authorized official of LSU.
4. The proposal or award includes an itemized budget and places restrictions on how funds can be spent and/or re-budgeted.
5. Cost-sharing may be involved or required in order to receive the funding.
6. A specific commitment is made regarding the level of personnel effort.
7. A financial report, technical report, and/or external audit is required.
8. The proposal or award with the sponsor provides for the disposition of tangible or intangible property.
9. Unexpended funds must be returned to the sponsor at the end of the activity.
10. The proposal or award includes compliance terms and conditions.

Sales of Service – Handled by the Office of Procurement Services

1. The scope of work describes routine or repetitive services.
2. Requires little or no intellectual or scholarly contribution on the part of LSU personnel.
3. No new intellectual property is expected to be developed in performing the work.
4. No scientific uncertainty regarding the University's ability to perform the work and provide the stated deliverables.
5. LSU employees will not engage in significant interpretive analysis of resulting data or provide conclusions.
6. No expectation of publishing on the work or the data.
7. No financial, time or effort reporting requirements, federal assurances, FAR clauses, or a CFDA number.

This procedure does not apply to regular charges for academic or continuing education programs or any residential life programs, including residence halls, food services, athletic and recreational programs, or other auxiliary programs.