

**Vanderbilt University Medical Center
Office of Research**

**Guidelines for Research Shared Resources
And
Core Facilities**

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Cost Center Operations

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Rationale

The purpose of these guidelines is to provide a framework for the fiscal and administrative operations of Vanderbilt University Medical Center (VUMC) research Shared Resources and Core Facilities (also known collectively as **Cores**) that will:

- Enable Core directors, managers, users and administrators to appropriately budget for and monitor recharge center expenses and revenue.
- Allow for more consistent administrative and accounting practices across all VUMC Research Shared Resources/Core Facility cost centers.
- Enable compliance with federal regulations and VUMC policy.

These guidelines may not cover all aspects of specialized service center operations having operating costs greater than **\$1,000,000** per year; additional guidance may apply. These guidelines do NOT apply to operating units such as Hospital, Dining, Bookstore, and other non-research activities that provide goods and services to external/individual users, and that are not otherwise considered service centers for purposes of this policy.

Recipients of federal research funds must comply with regulations that govern the use of those funds, including Federal cost principles applicable to the operation of Cores. Requirements are set forth in several federal regulatory documents including **Council on Financial Assistance Reform 2 C.F.R 200: Uniform Guidance**, which now encompasses the guidance previously published in the separate OMB Circulars A-110, A-133, and A-21. Additional guidance as well as financial and grant management standards are included and described in the [NIH Grants Policy Statement](#), the [FAQs for Costing of NIH-Funded Core Facilities](#) and overall VUMC policies. These requirements are summarized throughout this document, particularly in the **Considerations for Charge Development** and **Federal Guidelines** sections. The VUMC Office of Research should be consulted in developing new or revised recharge rates.

NOTE: These Guidelines, with other policy and procedure documents, forms and additional information related to Core management can be found on this website: <https://www.vumc.org/oor/vumc-core-administration>

Overview and General Information

Vanderbilt University Medical Center (VUMC) Research Shared Resources and Core Facilities (also known collectively as **Cores**) necessarily encompass a broad range of services, technology and expertise. The multidisciplinary scope of VUMC Cores prevents needless duplication of scientific resources within and across the institution, enabling focused development of technology that serves all Vanderbilt research efforts across the spectrum of biomedical science. As a guiding principle, all Vanderbilt faculty, their trainees, and their staff may utilize VUMC Cores, regardless of department affiliation.

Definition of Research Shared Resources and Core Facilities

VUMC Cores operate as **recharge cost centers**. Each Core is organized to provide services that facilitate users' scientific research activity; the recharge cost center model offers an efficient mechanism for recovering direct costs associated with providing these services, via user fees "charged back" to an investigator's grant, contract or other fund. Scientific services offered by Cores to the research community typically include specialized products, expertise, state-of-the-art equipment and/or technology. By definition, Cores are not dedicated to the work of a single research group or department, but are expected to maintain equitable access to all investigators and be open for new business. Successful operation requires actively involved scientific and managing directors who interact with researchers and staff ("users") across a range of disciplines. As a rule, each Core should have significant annual activity of at least \$100,000/year in cost recovery. ⁽¹⁾ Each Core should also have dedicated space and personnel with offices and laboratories sufficient to provide defined services.

For the purposes of these guidelines, any Core recharge cost center that bills user fees to user grants, institutional funds or other sponsored projects is considered a Core. All Core service fees charged back to users are subject to review and require the approval of the Office of Research. All Core fees should be billed using the institutional core billing system. ⁽²⁾

Departmental Research Core Facilities, or Departmental Cores, typically operate as outlined above. However, they may offer preferential access to investigators within the department, providing more limited services to other Vanderbilt users.

Program Supported Research Core Facilities are specifically supported by a grant such as a program project (PPG) or center grant. The program or center typically subsidizes core operations, and user fees may be lower than the actual direct cost of the service.

Institutional Research Shared Resources ⁽³⁾, while based in a specific center or department, serve a broad institutional user base. In general, these Cores are identified and supported by the institution. They are defined by having an Institution-wide user base and/or offering unique expertise and technology that is scientifically needed, enabling, and aligned with the VUMC strategic directions (<https://www.vumc.org/strategy/medical-center-strategic-directions>). The institution may directly support these Cores, enabling development of new technology, purchase of high-end equipment, or retention and/or recruitment of technical personnel. In general, regular financial operations and scientific oversight of these Cores remain under the control of the parent center or department.

Notes:

⁽¹⁾ Annual activity is defined as matched revenue and expense over the course of a given fiscal year, beginning **July 1** and ending the following **June 30**. A Core that exceeds the \$1,000,000 limit may be converted to a specialized service center subject to guidance from VUMC Finance. Contact the Office of Research for more details.

⁽²⁾ Historical data is archived. Contact the Office of Research for assistance obtaining archived data.

⁽³⁾ Status as an institutional Core is subject to review by the Institutional Shared Resources Oversight Committee and determined by the Executive Vice Presidents for Research.

Considerations for Setting User Fees

In general, the federal government stipulates that the direct cost of services provided by Cores should be charged back to Core users. Charges should be based on actual usage and may not discriminate between federally and non-federally funded users within the institution. When determining service rates, each Core should consider that user fees are intended to recover the allowable direct cost of the service. No discounted fees are allowed; all users pay the same list price when using a Vanderbilt cost center, scholarship credit or other institutionally approved voucher. Every Vanderbilt investigator, regardless of funding source, should pay the same rate for the same service.

Core Facilities are expected to be **revenue neutral**: all costs for providing service that are assigned to the Core for recovery must be off-set by matched revenue received in the form of user fees. Small surplus or deficit variances (less than 25% of annual operating expenses) are allowed. However, these will be reviewed by the Office of Research at year-end for appropriate matching of costs and revenue and should be adjusted as necessary. In the case of an operating surplus or deficit, the most appropriate adjustments will include moderate price increases or decreases going forward into the next budget period. In addition, an operating surplus may also be used to develop new technology, make service improvements, or purchase annual equipment contracts that will generally benefit all users of the Core. More significant variances, (greater than 25% of annual operating expenses), will be addressed on a case-by-case basis by the Office of Research. In general, variances should not be allowed to grow from year to year. Refer to the **Federal Cost Guidelines** section of this document for more details.

Note: It is not appropriate to “bank” funds for expenses that may be incurred in future years.

Recovery of Allowable, Allocable and Reasonable Costs

In keeping with Federal cost principles, the costs associated with running a Core must be allowable, allocable and reasonable; these costs are typically recovered through user fees. User fees must be based only on the annual, actual direct costs required to perform the service(s), excluding accumulated inventory or unallowable expenses. Typical allowable direct costs may include:

- labor (salary and fringe for staff)
- operating supplies and materials
- service contracts for Core equipment
- depreciation on non-federally purchased equipment

Personnel providing Core services should have effort assigned to the Core cost center. Staff effort should be solely dedicated to Core operations, or should be clearly defined and justified as uniquely different and distinct from any effort supported by individual investigator Federal grants (e.g. R01, U01, P01 type mechanisms). In general, departmental administrators should not have effort charged to the Core cost center. Staff may be appropriately supported by core or consortium-type Federal grants such as P30, P50, and certain U mechanisms that are intended to fund shared resources. Similar constraints may apply to faculty effort on Core cost centers, and recovery of faculty salary is limited to the amount determined by the NIH cap. Contact the Office of Research for additional guidance.

Note: The Office of Research must approve creation of any new staff position, reclassification of an existing staff position, or changes of effort distribution involving positions where effort will be charged to a Core recharge cost center.

Cores often benefit from federal shared equipment grant funds for equipment replacement. However, depreciation on such equipment or other federally purchased equipment is **not** an allowable direct cost. In order to ensure compliance, it is important for any equipment-related costs to be reviewed and approved by the VUMC Office of Research. See the **Supplies and Equipment** section for more guidance.

Note: All Core expenses and service fees are subject to review and approval by the Office of Research.

Labor Charges - Hourly Rate Determination

At VUMC, the basis for developing an hourly rate is a **1500-hour** Core service year; this accounts for average use of annual leave, holidays and sick time by Core personnel. This standard also considers that Core personnel will spend time in continuing education or training related to Core activity, or in performing general service tasks not allocable to a specific user or group of users, but that generally benefit all Core users.

Non-VUMC Users

Vanderbilt users pay approved subsidized rates. In addition to typical direct costs, Cores providing services to both VUMC users (internal) and non-VUMC users (external), must recover partial or full indirect costs. Each of the following groups will pay either partially subsidized or unsubsidized rates as specified.

External academic/non-profit users are defined as investigators at non-Vanderbilt (VUMC or VU) federally funded research institutions or non-profit research institutions. These users will pay a partially subsidized rate and will be charged an additional 10% over the VUMC base rate for partial indirect administrative cost recovery.

External Vanderbilt University (VU) users are defined as investigators who are employed by Vanderbilt University (VU) and have a primary faculty appointment in a VU department. As part of the academic affiliation agreement between VUMC and VU, individual VU investigators will only be charged the VUMC rate. Direct any questions about this arrangement to Susan Meyn in the Office of Research.

External commercial/for-profit/ international users are defined as investigators working for commercial, for-profit, or international companies. These users will pay an unsubsidized rate and will be charged at minimum the institution's current full indirect cost rate. The rates are available from the VUMC Office of Sponsored Programs, and the Office of Research will advise Cores on the appropriate rate on an annual basis. In addition, it is recommended that a standard agreement be used to establish basic terms and conditions for service provided to these users. Refer to the [Research Core Services Agreement](#), or contact the Office of Research for more assistance.

A Research Core Services Agreement is a standard agreement used to establish basic terms and conditions for cores that serve external customers. This agreement is required for (1) all **international customers**; (2) **all external** customers where the project cost exceeds the core's specified financial risk threshold; and (3) all **external project timelines exceeding 6 months**. It is strongly encouraged for all other external customers. Refer to the [Research Core Services Agreement](#), or contact the Office of Research for clarification and assistance. A purchase order is not an acceptable substitute for a research core service agreement.

Note: There are special considerations when providing services to an NIH customer. Review the SOP on **Managing and Collecting Receivables** for additional information.

Note: Substantial changes to the Research Core Services Agreement template will require review by the Office of Contracts Management.

Special Pricing Considerations

Some cores provide services related to industry-sponsored clinical trials. In these cases, the core may be able to charge an unsubsidized, full direct cost rate. Contact the Office of Research for approval and guidance to develop a SOP in establishing differential pricing.

Some cores may also purchase special reagents, kits, or other specific materials needed to complete a specific core service project. In these situations, the core will bill back the actual cost of the item to the customer as a core fee. The price charged to external customers should follow the same pricing practices described in the "Non-VUMC Users" section of this document. Cores must be approved for pass-through billing. Contact the Office of Research for approval and guidance.

Role of the Office of Research

The Office of Research is responsible for approving requests to establish new Cores and will review and approve allowable costs for consideration in setting user fees. The Office of Research works with the Core leadership to monitor fund balances and operations expenses on a regular basis, review and approve user fees, and to resolve any issues that may arise related to finances, policy compliance and user access. As utilization of a Core changes, the Office of Research also works directly with Core leadership to make the necessary adjustments to fee schedules and services offered. These adjustments are typically made yearly. Rate changes should be promptly implemented in the billing system and Core users should be notified of new rate schedules by email or other distribution methods. Rate schedules should be made

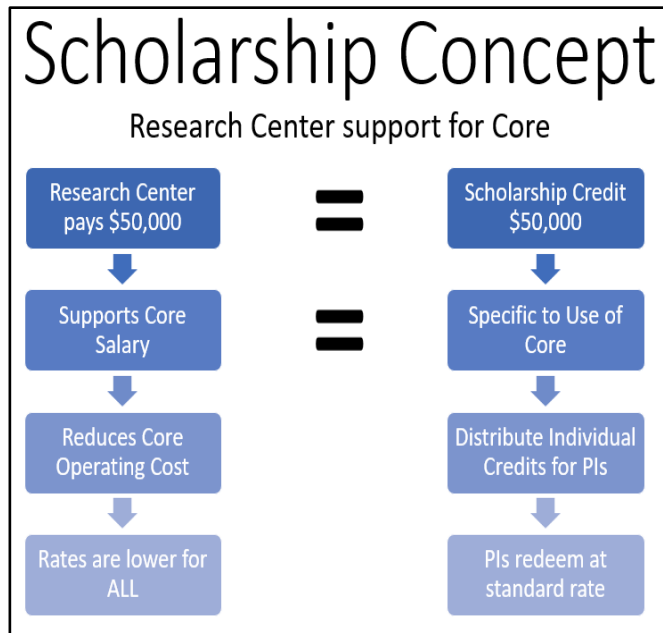
generally available to Core users, and should be published on individual Core websites or billing system modules. Information related to the Core finances, including rate-setting methods, rate change notifications, operating expenses, and revenues should be provided upon request to the Office of Research and the Department of Finance.

Note: Price changes more than once per fiscal year are not recommended and will require specific justification. Contact the Office of Research for guidance.

VUMC Scholarship Mechanism

Cores are often supported by research centers or program projects (e.g. P30s or PPGs), which may allocate funds to support personnel and other direct costs associated with providing Core services. In order to ensure that center or PPG support to a given Core appropriately translates directly into benefits for the research center or PPG member investigators, VUMC has developed a system of credit known as **Scholarships**. Instead of a discount or co-pay, members receive credits from their center or PPG for use of the specifically supported Cores that best serve their own research efforts. These Core credits, or **scholarships**, are issued to members by the center or PPG, offering substantial benefit to members while ensuring increased compliance with federal policy. The Scholarship Program was established to resolve potential inequities in charges to federally sponsored projects; to enhance the reporting of Center activities to federal sponsors; and to reduce the risk of a federal audit finding.

During the active period of center support, the center may establish a Scholarship credit pool equal to or less than the total amount of funds it spends to support a given core, or group of cores. The scholarship mechanism requires precise and accurate accounting to ensure that **a)** the pool of credit for each Core is directly related to center or program support, and **b)** that the use of each credit is accurately tracked. Each center or PPG identifies its own appropriate pool of support and determines the level of distribution to the Core(s) and sub-allocations to member investigators. The Office of Research works with each contributing center or PPG to verify that the total pool of credit represents actual direct support of the Core(s), and streamlines the distribution and use of scholarships through the central billing system.



NOTES:

- Each scholarship is linked to specific Core support and may not be transferred between Cores.
- The total amount of any research center or PPG scholarship pool cannot exceed the sum of direct support to a given Core.

- The research center or PPG may choose to distribute less than the sum of direct support to a given Core, or to distribute nothing.
- The Office of Research can provide guidance and assistance in distribution of scholarships.
- Scholarship voucher transactions do not generate ledger entries; these transactions are retained within the billing system only.
- Discounted pricing is not allowed in VUMC Cores.

Federal Cost Guidelines

In general, all costs recovered by a Core must be allowable, allocable, and reasonable. Both VUMC and Federal policies are summarized here. For additional information, refer to relevant [VUMC Finance](#) policies, and Federal [Uniform Guidance](#).

Table 1- Allowable Direct Costs
Salaries, wages and fringe benefits*
Materials and supplies
Travel
Annual service contracts
Cost of goods/services sold
Equipment Depreciation
*Salaries cannot exceed the NIH Salary Cap

Allowable Direct Costs

These are costs that are directly related to providing the Core services, and will normally include expenses such as those listed in **Table 1**. These should be considered when developing charges for all Cores. Some cores may incur other types of expenses not highlighted here; contact the Office of Research for guidance on allowability of other direct costs.

Unallowable/Excluded Direct Costs

Expenses typically associated with facilities and administration (F&A) costs are generally not allowed. One exception is equipment depreciation, which is allowed as outlined in the **Supplies and Equipment** section.

Table 2 lists examples of unallowable costs per Federal policies (refer to [Uniform Guidance](#)). These costs must be excluded from Core cost recovery plans and billing rate calculations, and are not chargeable to the Core budget center. Such costs may only be charged to unrestricted (non-Federal) funds.

Table 2- Unallowable/ Excluded Direct Costs
Debt principal payments and internal interest
Fund Transfers
Advertising
Alcoholic beverages
Bad debts
Contributions and donations
Entertainment and Employee Celebrations
Meals and Gifts
Fund Raising
Public Relations

Note: Unallowable/excluded costs are not limited to those listed in Table 2; contact the Office of Research for guidance.

Supplies and Equipment

For the purposes of VUMC and Federal policy, **supplies** are defined as items such as consumable reagents, small equipment or other products purchased for a per item cost of less than \$5,000. Supplies are an appropriate operating expense to be considered in calculating rates.

Capital equipment is defined as an item with a purchase price of \$5,000 or more and a useful life of more than one year. Biomedical research equipment is typically assigned a useful lifetime of 5 – 8 years, although shorter lifetime schedules will be assigned to computational equipment. Refer to VUMC's [Asset Capitalization policy and procedures](#) for further guidance. Federal guidelines do not allow Core user fees to be structured to build “reserves” for anticipated capital equipment purchases or replacements; it is not appropriate to charge current users for costs associated with future periods. However, federal guidelines **do allow** for the recovery of depreciation expense associated with an existing capital asset. When considering depreciation in cost determinations, the following guidelines apply:

Equipment Depreciation Calculated and Charged to Cores

Capital equipment purchases may not be directly charged to the Core's operating cost center (3-04-xxx-8xxx). Instead, these equipment purchases should be made from a separate cost center established in the **plant fund range (8-04-xxx-8xx1)**. If necessary, each Core will be assigned a separate plant fund cost center to track equipment purchases. In practice, actual annualized equipment depreciation expense will be charged on the Core's 3-04 operating cost center and credited to the 8-04 plant cost center monthly. Any funds accumulated in this 8-04 cost center may be used for equipment purchases. The depreciation expense on the 3-04 cost center should be considered when establishing Core service charges.

Notes:

- The Office of Research must approve any core capital equipment purchases.
- The equipment depreciation rate is determined by Department of Finance. The Core may be asked to assist by providing updated inventory information.
- All proposals for including equipment depreciation in Core cost determinations are subject to review and approval by the Office of Research, working in conjunction with the Department of Finance.
- Reference the SOP on **Managing Core Capital Equipment Expenses**.

Federally-Funded Equipment

Depreciation of equipment purchased by the federal government, whether or not title has reverted back to the institution, cannot be included in the user rates. Where the institution has specifically agreed to cost-share a piece of equipment in a federal award, the depreciation of the institutionally cost-shared portion is also unallowable in the rates. **Table 3** summarizes allowable and unallowable equipment costs for Cores.

Table 3 – Costs associated with Equipment Depreciation	
Full depreciation on equipment purchased from <i>unrestricted or institutional funds</i>	Allowable cost , generally required to be recovered within Core service charges
Partial depreciation on equipment purchased from a combination of <i>unrestricted, institutional funds and restricted, federal funds</i>	The portion related to the <i>unrestricted fund contribution to the purchase</i> is an allowable cost to recover in Core service charges
Partial depreciation on equipment purchased on <i>unrestricted, institutional funds and cost-shared on restricted, federal funds</i>	Unallowable/Excluded Cost
Full depreciation on equipment purchased from <i>restricted, federal funds</i>	Unallowable/Excluded Cost
Purchase of capital equipment from Core recharge funds	Unallowable/Excluded Cost

Recharge Centers - General Administration and Operations

Requirements for Approval

Development of a new Core must be approved by either the center director or chair of the department in which it will be based and, in cases of Cores associated with specific sponsored projects, the PI of the grant program. Vanderbilt University must also approve the creation of the new core in accordance with the Academic Affiliation Agreement and Schedule 5 to the Reciprocal Master Services Agreement, VUMC and VU Cores Service Level Agreement (“SLA”). The Office of Research will facilitate notification to Vanderbilt University. The home department or center agrees to back-up or guarantee funds to cover any deficits that may arise from operation of the Core cost center.

The Office of Research is responsible for developing Core business plans, in partnership with the Core Director/Manager, and department or center leadership. Information about the process and the required forms are provided on the [OOR Core Administration](#) website. The following are required elements of a new Core business plan:

- Core Center Create form with appropriate departmental approvals
- Budget Summary (1275)
- Completed Service Fee documentation workbook

Once the business plan has been approved, the cost center creation form will be routed to the Department of Finance.

Budget and Funding Requirements

Cores must be uniquely identified by a cost center number (generally in the 3-04-xxx-8xxx format) for easy identification in the VUMC Ledger and Management Reports. All Core expenses, including personnel, supplies, and equipment depreciation, as well as income generated from user-fees must be accounted in the Core's operating cost center. As stated in **Considerations for Setting User Fees**, each Core is expected to operate under a revenue-neutral model. For start-up Cores, break-even is expected to occur within the first three years of operation in accordance with the approved business plan.

Staffing and General Operations

Each Core should designate a responsible Scientific Director and Core Laboratory or Operations Manager. Administration and business functions will be supported by the Office of Research Core Administration team, in partnership with the Core home department. The Core Manager acts as the agent of the Director/PI in administrative and operations matters and works closely with OOR Core Administration to propose initial rates and subsequent adjustments, and monitors expenses and revenue. The Manager also ensures that the Core follows applicable sponsor and VUMC policies, that services are delivered and charged to users, and facilitates collection of payments. Each Core is required to publish a schedule of rates and services.

Funding Support for Cores

An institutional Core (see **Overview** section) may request supplementary funds to allow the facility to remain competitive and affordable. Other requests may be considered on a case-by-case basis. Any request for supplemental funds or new subsidies must be submitted to the Office of Research for review and approval as needed by the Institutional Shared Resource Oversight Committee (ISROC).

Indirect Costs (IDS) Recovery

Revenue received from external customers may be subject to internal overhead allocations, commonly known as **IDS tax**. External users are therefore charged a higher rate to cover the cost of internal IDS tax assessment. If external revenue is expected, the Core administrator should notify the Department of Finance to establish system prorates to ensure that the appropriate taxes are automatically assessed on all external revenue received. This notification is normally made through the budget process, but if external revenue was not budgeted, the Department of Finance should be notified as soon as possible upon monthly review of the ledgers so the correcting entry can be made. Reference the SOP on **Managing and Collecting Receivables** to ensure the IDS taxes are accounted for correctly.

Office of Research - Financial Oversight

The Office of Research is responsible for approving requests to establish new research Cores, approving prices, rates and verifying scholarship amounts. The Office of Research will maintain records of key documents, including correspondence, rate development summaries, and current service and price lists as received from each Core. However, each Core Facility is responsible for maintaining all rate documentation, purchasing records and PI project approvals for audit purposes, retaining these records for 8 years at minimum. The Office of Research will also facilitate the invoicing process and posting charges to the General Ledger at the end of each billing cycle, and will work with each Core to set up a billing module in the central billing system.

Annual review of Core billing rates, budget, external billing and accounts receivable, will be required for all Cores. Generally, all new rates will be requested by June 30th of each year. Cores may implement new rates as early as July 1st of each year. All rates must be approved by September 30th of each year with an effective date no later than November 1st. Any non-compliant cores may be asked to cease operations, and the iLab site may be disabled until approved rates are on file.



Charging/Payment Process

Users should be charged and invoiced on a monthly basis as service is provided. Charges for services **may not be pre-billed or pre-paid**, with the following exceptions:

- Scholarship vouchers may be pre-billed, consistent with [Scholarship Redemption Guidelines](#).
- International customers may be pre-billed for up to half the estimated cost of service, and this is strongly encouraged. Contact the Office of Research for guidance.

All charges to users whether internal (VUMC) or external (non-VUMC) should be billed using the central billing system. Contact the Office of Research for assistance and training in using the system.

The Office of Research may establish cut-off times for monthly billing to ensure that charges can be reviewed and posted to the General Ledger (G/L) in a timely manner. **The importance of timely charging each month cannot be overstated**; it allows for proper monitoring by Core staff, users, administrators, and research management. It also facilitates proper accounting practices, timely error correction, allows for on-time filing of Final Status Reports (FSR) to sponsors, and reduces the need for retroactive cost transfers.

Core managers are responsible for accurately logging usage of Core Facilities, entering charges in a timely manner, and creating the draft billing event. In addition, Core managers are responsible for charge verification and charging users consistent with guidelines in the following sections.

Payment Methods

All Cores should use the central billing system for billing. The use of 1180s (paper billing) or journal entries for Core billing is not appropriate. Investigators may purchase Core products and services as follows:

VUMC Investigators

- VUMC cost center number – cost center numbers are activated and authorized by the administrative home department for the cost center.
- Scholarship voucher – scholarships are assigned to individual investigators by research centers for use of specific Cores and are non-transferrable. See the **VUMC Scholarship System** section of this document for more information.
- StarBRITE voucher – vouchers are awarded to individual investigators by the **Vanderbilt Institute for Clinical and Translational Research (VICTR)** for use of specific Cores and are non-transferrable.
- Vanderbilt investigators may not pay Core service fees using procurement cards, petty cash, personal credit cards or other personal funds.

Vanderbilt University Investigators

- Vanderbilt University external account number – these are activated by request from the administrative home department for the VU investigator.
- Scholarship voucher – scholarships are assigned to individual investigators by research centers for use of specific Cores and are non-transferrable. See the **VUMC Scholarship System** section of this document for more information.
- StarBRITE voucher – vouchers are awarded to individual investigators by the **Vanderbilt Institute for Clinical and Translational Research (VICTR)** for use of specific Cores and are non-transferrable.
- Vanderbilt investigators may not pay Core service fees using procurement cards, petty cash, personal credit cards or other personal funds.

All other non-VUMC investigators

After invoicing the non-Vanderbilt external account number, payment may be made by:

- Check
- Electronic fund transfer – fees may apply and are the responsibility of the customer.
- VUMC Cores do not accept credit card payments.

See **Charging non-VUMC Users** and **Receipt of Payment** sections.

Charge Verification

Core managers should take steps to ensure and document that the Investigator or designee has authorized charges, and to validate Vanderbilt cost center numbers, scholarship numbers or VICTR award (StarBRITE voucher) numbers before service is provided.

Order Upload

The billing system supports order entry by upload of a csv-type file. Core managers who wish to use this form of order entry must contact the Office of Research for assistance in developing a systematic process to ensure accurate and timely order entry. As with all order entry processes, Core managers are responsible for ensuring accurate upload of Core order entries. Managers should follow up and resolve error messages generated during the upload process, making corrections in a timely manner.

Disputed Charges

Charges entered into the billing system are invoiced at the end of each month. Investigators and administrators can also review charges and redistribute them to alternate cost centers using the billing system.

Upon invoice notification, the investigator or administrator for a given VUMC cost center has the option of disputing a charge. Core managers should follow-up on disputed charges by contacting the individual who has initiated the dispute. Appropriate actions include providing a refund in the case of a billing error, or directing the user to his/her department for assistance in transferring the charge to a different cost center by journal entry. Managers should keep a record of follow-up action for each disputed charge, either by retaining email correspondence or maintaining a log of disputes and action taken. Reference the **SOP on Core Billing Practices**.

Note: In general, the billing system refund process is not an appropriate method for transferring a charge from one funding source to another. Users should work with their department administration to transfer charges via the journal entry process.

Charging non-VUMC Customers and Tracking Accounts Receivable (A/R)

Credit Card Transactions: At this time, VUMC Cores do not accept credit card payments. Contact the Office of Research with any questions.

Vanderbilt University (VU) customer transactions: The Office of Research will handle the invoicing and payment process for all VUMC Core charges to VU customers.

All Other Invoiced Receivable Transactions: For all other external user transactions, Core managers are responsible for:

- Billing the charges in a timely manner.
- Ensuring that invoices are promptly forwarded to the accounts payable department for each external user.
- Ensuring and documenting that payment is received.

Invoiced charges will result in a receivable entry on the Core's operating cost center. This receivable will be reversed when payment is received by Department of Finance. Core Managers should work with their OOR core administrator/financial analyst to mark invoices as paid in the billing system, or email the OOR at VUMCcores@vumc.org to update the payment status. Reference the **SOP on Managing and Collecting Accounts Receivables**.

Receipt of Payments

Payments from non-Vanderbilt users must be received to the appropriate “lockbox” address shown below. Checks should be made payable to **Vanderbilt University Medical Center**.

Make checks payable and remit to:

Vanderbilt University Medical Center
Department of Finance, Dept. 1236
P.O. Box 121236
Dallas, TX 75312-1236

Wire Transfers should be sent to:

The Bank of New York Mellon
3319 West End Ave. Suite 700
Nashville, TN 37203
ABA Routing: 043-000-261
Swift Code: MELNUS3P
Account Name: Vanderbilt University Medical Center VUMC NON L/C
Account Number: 9037889
Reference: VUMC number is required for all payments. *Must be included in payment description field*
(Please specify invoice number and VUMC Core Number to be credited)

Summary

Vanderbilt University Medical Center Cores operate in a unique environment. The use of the central billing system, and the scope of biomedical research support provided by VUMC Cores make it necessary to outline specific procedures and requirements for VUMC Core operations. These guidelines are intended as a supplement to VUMC general policies relating to service center operations and direct costs. All Vanderbilt University Medical Center Cores should adopt and adhere to these guidelines, to ensure consistent operations in compliance with both federal and Vanderbilt policies. The VUMC Office of Research is available to provide business planning, additional policy guidance and invoicing support services to Cores.

Collaborative Shared Resource

As an alternative financial model to a fee-for-service recharge operation, the collaborative core model may be a better option for some shared resource operations. In a collaborative core model, the core can continue as a shared resource; however, a fee-for service is not charged via the central billing application. Instead, the shared resource recovers all costs by direct charges to the investigator’s project for appropriate expenses such as labor, consumables, equipment maintenance, etc.

References:

- VUMC Office of Research – Core Administration
<https://www.vumc.org/oor/vumc-core-administration>
- Federal Uniform Guidance
<https://www.cfo.gov/policies/uniform-guidance/>
- NOT-OD-13-053 FAQ for Costing of NIH-Funded Core Facilities
<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-053.html>

All SOPs referenced in guidelines are available on Office of Research website
(<https://www.vumc.org/oor/vumc-core-administration>)

- SOP on Managing and Collecting Receivables
https://www.vumc.org/oor/sites/default/files/SOP%20-%20Managing%20and%20Collecting%20Receivables_2021-02-09.pdf
- SOP on Core Capital Equipment Expenses
https://www.vumc.org/oor/sites/default/files/SOP%20-%20Managing%20Core%20Capital%20Equipment%20Expenses_2021.02.09.pdf
- SOP on Core Billing Practices
https://www.vumc.org/oor/sites/default/files/SOP%20-%20Core%20Billing%20Practices_2020.07.13.pdf

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