

Service Agreements Instructions

1. Verify Service Agreement correct document to use

A Service Agreement is used when ISU is providing a service to another entity. If another entity or person is providing services to ISU, then a Service Agreement should not be used and the arrangement should instead be handled by the Purchasing Department. If ISU is conducting research, then a Service Agreement should not be used and the arrangement should instead be handled by either the Office for Sponsored Programs Administration or the Industry Group. Differentiating between research and service is sometimes challenging. Guidance on how to do so can be found [OSPA's webpage](#).

The Service Agreement states that the customer will own the results (including any copyrights or other intellectual property in them) and that ISU will keep the results confidential. This would prohibit ISU and its students from publishing the results (including using the results in dissertations) or using the results to further research. The Service Agreement also states that no patentable discoveries are anticipated but, should any occur that incorporate or require use of the customer's material or confidential information, the customer will own the intellectual property rights. If any of the foregoing is problematic, then the arrangement should be handled as research.

2. Establish Fee-for-Service Account

Directions to establish a fee-for-service account can be found [on the Financial Accounting and Reporting's webpage](#).

3. Select Service Agreement

The Office of University Counsel website contains template Service Agreements, including a general use agreement and agreements specifically for arrangements involving animals. Template Master Service Agreements are also available. These may be used when it is anticipated that multiple projects may occur with the same customer within a three year period. You should review the Service Agreement to ensure it is suitable for your needs. If not, you may contact the Office of University Counsel for assistance in creating a customized Service Agreement. The template Service Agreements are not recommended for clinical trials or other services involving human subjects. Please contact the Office of University Counsel for assistance.

4. Complete Service Agreement

Fill out the Service Agreement, paying special attention to the following areas:

- Ensure you use the customer's legal name in the introductory paragraph.
- If the customer is located outside of the United States, contact the Office for Responsible Research to ensure that providing the services will not violate any export control laws.
- Provide in Attachment A a description of the services you will perform, the items you will provide the customer, and the dates by which you will provide the items. If you already have a proposal, protocol, scope of work or similar document that accurately describes some or all of these items, you may insert the phrase "See attached proposal" or similar language in the applicable spaces and then attach the document

- If the customer will provide materials to be used or tested when performing the services, provide in Attachment A a description of the materials. It may be helpful to include the quantity of the materials the customer is to provide and the date by which the customer should provide the materials to ISU. The customer should indicate in this section if the materials are hazardous or export controlled. If the customer indicates this, you should contact Environmental Health & Safety and/or the Office for Responsible Research before signing the Service Agreement.
- Set forth in Attachment A the fee you expect the customer to pay you for the service and when the payment is due. When you set up your Fee-for-Service Account, the Controller's office will assist you in establishing the appropriate rate to charge for the services. With respect to the payment schedule, it is recommended that you charge as much of the fee up-front to avoid problems with customers who delay or fail to pay. This is particularly true with customers who do not have an established payment history with ISU and customers located outside of the United States as collection efforts may be cost prohibitive.
- If you are using a Master Service Agreement, insert a unique number in each Individual Project Agreement in order to distinguish between projects.

5. Send Service Agreement to Customer

Send the Service Agreement to the customer to review and to complete information that the customer needs to provide. If the customer desires to make substantive changes to the Service Agreement, ask the customer to do so using tracked changes. The Office of University Counsel can assist you in reviewing the customer's proposed changes.

6. Sign and Retain the Service Agreement

Once both the customer and you are satisfied with the Service Agreement, it may be signed. Pursuant to ISU's [Contracting Authority Policy](#), the manager of the ISU service center may sign the Service Agreement on ISU's behalf. The Service Agreement can be signed in counterparts, meaning the customer can sign one copy and the manager of the service center can sign another copy. However, you must ensure that you retain all copies. From ISU's perspective, originals are not necessary. Scanned versions are acceptable. There is no central repository for Service Agreements. You or your service center is responsible for retaining the signed Service Agreement for ten years after termination or expiration of the Service Agreement in accordance with ISU's [Records Retention Policy](#).

7. Perform Contractual Obligations

Once signed, ISU is legally required to perform the services and other obligations in the Service Agreement. ISU makes important promises to customers that require appropriate management:

- Confidentiality—Employees and students providing the services need to maintain confidentiality
- Intellectual Property—Employees and student providing the services do not have IP rights in customer information or information developed from conducting the work

One obligation is to require employees and students using the customer's materials or confidential information to abide by the terms in the Service Agreement. It is highly recommended that all project

personnel sign a [Service Center Personnel Agreement](#) before performing any services on the project. Copies of these Service Center Personnel Agreements should be retained.

8. Obtain Payment.

The customer is also legally required to perform its obligations in the Service Agreement, most notably to pay ISU. Accounts Receivable can assist you in issuing invoices to customers, ensure that payments are posted to the correct ISU account and assist in collecting payments that are overdue.