Facilities Use and Technical Service Arrangements

Introduction and Purpose:

To the extent that doing so is consistent with Caltech's educational and research mission and does not interfere with its status as an institute of higher education, Caltech accepts work to perform specialized technical services and/or may allow outside users/entities to use its facilities. This work is not considered sponsored research, nor is it considered a charitable contribution.

Examples of facilities use/technical service arrangements include the following:

- A faculty member allows a professional colleague employed by an outside firm to use a specialized machine in the faculty member's lab to fabricate parts for the outside firm's new prototype. This is a facilities use arrangement.
- A service center providing services primarily to campus analyzes a sample for another university or for-profit entity and returns data to the third party. This is a technical services arrangement.
- A lab fabricates a piece of equipment and sells the equipment to third parties. This is a technical services agreement.

This document addresses the management of the types of arrangements noted above.

Core Principles:

- Campus departments' provision of the use of Campus[1] facilities or specialized technical services to third parties must be made according to an approved written agreement, generally a facilities use or technical services agreement.
- Provision of such services must be on a "non-interference" basis with respect to Caltech's teaching and research mission.
- Care must be taken to avoid conflicts of interest in creating these kinds of agreements, especially with regard to third parties that may be related to officers and trustees. Any potential conflicts of interest must be addressed according to Institute policy.
- Prices charged to third parties under these agreements should be at a fair value. Caltech should not provide services below its cost. Generally, the cost of providing these services = (direct labor and materials) * (1 + the current on-campus F&A rate).
- Revenue from these agreements will be assessed an overhead charge equal to the on-campus F&A rate at the time the agreement is negotiated. The overhead partially offsets the costs of providing supporting facilities and administrative functions to the Campus group providing the service. The overhead charge will be remitted to the GB.

[1] Including those offsite

Application:

This practice does not apply to:

- Activities funded by research grants and contracts (federal and non –federal) awarded directly to Caltech.
- JPL IA's
- Auxiliary revenues (Dining Services, Housing, Athenaeum, Bookstore).
- Other, incidental revenues that are not related to the Institute's research activities.

This practice applies to recognized service centers[2] only to the extent of third-party revenue earned under these arrangements.

Exceptions:

Any exception to any portion of this policy must be granted in writing by the Office of the Provost.

[2] As identified by Caltech's service center policy