Product Center Funding Policy

Client Process
All monies or purchased services provided to clients or on the behalf of clients by the Product Center must conform to the University’s Manual of Business Procedures. An Internal or External MSU Product Center funding request must be sent to Chris Peterson for approval on all grants or purchased services.

Once a client project has been approved, the Center Administrative Assistant, will contact the client and or the service provider for the necessary information and documentation to process the service. Payment to service providers will average six to eight weeks once documentation has been received. Work should not begin on any project before approval by the Center Director.

If there is any doubt about how to proceed, the staff should ask the Center Director Administrative assistant directly before taking any action.

General Internal Service Provider
For internal clients or staff collaborating with the center, staff should not negotiate compensation due to the complexity of issues and variety of funding possibilities. The Center Director will negotiate compensation with department chairs and faculty. Federal law bars any MSU employee from being paid as if they were a private consultant; that is, MSU employees can only be compensated through salary savings at their regular rate of pay as employees. Alternatives to this method of compensation depend on many factors. One notable exception is an MSU Controller approved fee schedule for the employee or unit, which would allow easy billing and transfer of funds. If the employee has an independent business and can meet the criteria of Independent Contractor Status Determination and Documentation (ICSDD), they may be eligible to be hired as an Independent Consultant.

General External Service Provider
A PSC or Personal Services Contract is required for services costing $600 or more. That “service” may include services other than a consultant such as printing. In some cases, MSU has an approved list of external service providers chosen on the basis of university objectives such as minority ownership. Services totaling over $10,000 require purchasing’s approval, a scope of work, and evidence of multiple bids or written justification for sole source bids if applicable. The consultant must submit a fee schedule and the schedule must be “reasonable”.

No firm commitment can be made to the scope of work service provider until the PSC and ICSDD form, and related documentation such as consultant rates, bids received, scope of work, and written sole source justification (if needed), are submitted and approved by various offices at the university. Approval averages six to eight weeks from receipt of documentation. Once approval is obtained, the Center’s Administrative
Assistant will contact the service provider to finalize arrangements, let them know to begin work, and inform them how to invoice MSU.

Regarding Invoices, the following general rules apply: All invoices must be detailed, including a date of service, a complete, itemized description of the services, a tax ID number.

**Additional Grant Process**

**USDA and other grants-Internal and External**

Grant conditions vary depending on the grantor. Generally, the conditions are more restrictive than restrictions on any other university account. In particular, federal grant accounts have stringent rules. For Federally funded contracts and grants:

The process is the same as the general process described above, except it is more restrictive. All services provided to clients must conform to the Federal Office of Management and Budget guidelines as well as MSU internal policy. MSU Policy may be more restrictive than federal policy and department policy may be more restrictive than MSU policy. The most restrictive rules apply to grant administration. All payments are processed according to the MSU Manual of Business Procedures.

**Internal**

No overload pay is allowable on any grant.

**External**

On federal grants, services costing $100 or more require a PSC form and the approval of Contract and Grants.

Rural Cooperative Service USDA grants, MSU must purchase the service for the client and cannot reimburse the client for a service they purchased or give funds directly to the client for any purpose.

**GREEEN Grants**

GREEEN Grants are funds the Product Center gives individuals, faculty, businesses or other organizations for Michigan projects from MAES. Unlike the terms of the USDA Grant, GREEEN grants cannot be used to pay for services on behalf of the client. The funds must go to the client.

GREEEN funding requires the submission of a brief description of the project and intended use of funds. Once the Center Director has approved the project, the Center’s Administrative Assistant will send out grants forms that are to be signed and returned by the grant recipient. Internal Grants are dispensed in a new account. External Grants are sent as Direct Pay Vouchers. Funds usually arrive six to eight weeks from receipt of documentation. A follow-up report is required of the recipients 90 days following the end of the grant. Grants are usually one year in duration.