Vanderbilt University Medical Center
Office of Research

Guidelines for Research Shared Resources
and
Core Facilities
-
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 that will:

- Enable Core directors, principal investigators and administrative staff 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.
- Ensure compliance with federal regulations and Vanderbilt policy.

These guidelines do NOT apply to specialized service centers or specialized service facilities having operating costs greater than $1,000,000 per year, or to operating units such as Hospital, Dining, Bookstore, etc., that provide goods and services to external/individual users on other than an incidental basis and that are not 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 Research Core Facilities. 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 Vanderbilt University policies. These requirements are summarized throughout this document, particularly in the Considerations for Charge Development and Federal Guidelines sections. The VUMC Office of Research is available to assist in developing new or revised recharge rates.

NOTE: This policy, other policy and procedure documents, forms and additional information related to Core management can be found on this website:
https://medschool.vanderbilt.edu/oor/core-administration
Overview and General Information

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 federally funded research centers and program projects, 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 these Shared Resources, 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 should 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 across a range of disciplines. As a rule, each Core should have significant annual activity in total charges to multiple restricted and/or unrestricted funds, with an upper limit of $1,000,000 per year \(^1\). 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 Shared Resource or Core Facility recharge cost center that bills user fees to Vanderbilt investigators’ 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 C.O.R.E.S. or iLab systems \(^2\).

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 supported by a large institutional investment, either foundational or on-going. They are defined by having an Institution-wide user base and/or offering unique expertise and technology that is scientifically needed and enabling. 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 will be converted to a specialized service center. Contact the Office of Research for more details.

(2) Through 2016, VUMC is in the process of transitioning from C.O.R.E.S. to iLab as the system of record for recharge billing. During the transition, both systems may be in use, and may be referred to collectively as the “billing system” throughout this document.

(3) Status as an institutional Core is subject to review by the Institutional Shared Resources Oversight Committee, and determined by the Associate Vice Chancellors for Research. Refer to the Guidelines for Institutional Shared Resource Oversight ([posted on the ISROC webpage](#)) for more details.
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 and 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 at year-end for appropriate matching of costs and revenue and adjusted as necessary. In the case of an operating surplus, 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 reviewed 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 some 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). Staff may be appropriately supported by core or consortium-type Federal grants such as P30, P50, U24. Similar constraints may apply to faculty effort on Core cost centers. Contact the Office of Research for guidance.
**Note:** The Office of Research must approve creation of any new staff position, or reclassification of an existing staff position, where effort will be charged to a Core recharge cost center.

Core Facilities 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-Vanderbilt Users**

In addition to typical direct costs, Cores providing services to both Vanderbilt users (internal) and non-Vanderbilt users (external), must recover partial or full indirect costs.

*External academic/non-profit users* are defined as investigators at other federally funded research institutions or non-profit academic institutions. These users must be charged an additional 20% over the established internal rate for partial indirect administrative cost recovery.

*External commercial/for-profit users* are defined as investigators working for commercial or for-profit companies; these must be charged **at minimum** an additional 60% for indirect cost recovery.

A **Research Core Services Agreement** is a standard agreement used to establish basic terms and conditions. This agreement is required for (1) all international users, (2) commercial/for-profit users at a core specific cost threshold, and (3) all project timelines exceeding 6 months. It is strongly encouraged for all other external users. Refer to the Research Core Services Agreement, or contact the Office of Research for clarification and assistance. A purchase order from External academic/non-profit users may be accepted in lieu of a service agreement, provided that any terms and conditions are consistent with those in the agreement template.

**Note:** Substantial changes to the Research Core Services Agreement will require review by the Office of Contracts Management.
Custom Pricing
There are Cores that offer project-level services where the final rates paid by the user vary depending on the scope of the project and the data or results produced. Because of the complex and variable nature of these services, it is not possible to define the level of service or determine a simple rate to be charged.

Cores proposing to offer project-level services should contact the Office of Research to develop defined service units that can be “built” into a rate charged to the user as work is completed. Documentation of both the standard service units and of the development of specific project pricing must be retained outside of the billing system for review and audit purposes by the Core management. Managers should reference project numbers and other documentation when entering charges in the billing system.

Role of the Office of Research
The Office of Research, working with the Department of Finance, 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 may be made yearly or more often if necessary, with changes implemented in the billing system and published via individual Core websites, email communications or other methods. Financial data related to the Core recharge center, including ratesetting methods, operating expenses, and revenues should be provided upon request to the Office of Research and the Department of Finance.

Note: Frequent price changes (more than twice in one fiscal year) are not recommended and will require specific justification. Contact the Office of Research for guidance.

Vanderbilt Scholarship System
Cores are often based in research centers or program projects (PPGs), which may designate 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 RC 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 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 specific Core support, and be transferred between.
- The total amount of any RC or scholarship pool cannot exceed direct support to a given Core.
- The RC or PPG may choose to distribute 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 generally ledger entries, these transactions are retained within the billing system only.

Where $XXX total Center support to core = $XXX total scholarship credits awarded = $XXX total Core services purchased.
Federal Cost Guidelines

In general, all costs recovered by Core must be allowable, allocable, and reasonable. Both VUMC and Federal policies are summarized here. For additional information, refer to the Vanderbilt University Service Center and Direct Cost policies, and Federal Uniform Guidance.

Allowable Direct Costs
These are costs that are directly identifiable with the Core 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.

Table 1 - Allowable Direct Costs

<table>
<thead>
<tr>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and fringe benefits</td>
</tr>
<tr>
<td>Materials and supplies</td>
</tr>
<tr>
<td>Travel</td>
</tr>
<tr>
<td>Annual service contracts</td>
</tr>
<tr>
<td>Cost of goods/services sold</td>
</tr>
</tbody>
</table>

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 (see Uniform Guidance, section XXX). 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.

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

Table 2 - Unallowable/Excluded Direct Costs

<table>
<thead>
<tr>
<th>Costs</th>
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</thead>
<tbody>
<tr>
<td>Debt principal payments and internal interest</td>
</tr>
<tr>
<td>Fund Transfers</td>
</tr>
<tr>
<td>Advertising</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
</tr>
<tr>
<td>Bad debts</td>
</tr>
<tr>
<td>Contributions and donations</td>
</tr>
<tr>
<td>Entertainment</td>
</tr>
<tr>
<td>Fund Raising</td>
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<tr>
<td>Public Relations</td>
</tr>
</tbody>
</table>

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 Vanderbilt’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 the 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-xxxx). 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 operating cost center (3-04-xxx-8xxx), and credited to the plant cost center (8-04-xxx-xxxx) monthly. The funds accumulated in this 8-04 cost center may then be used for new equipment acquisition. The depreciation expense on the 3-04 cost center should be considered when establishing Core service charges.

Notes:

- 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.

Federally-Funded Equipment

<table>
<thead>
<tr>
<th>Table 3 – Costs associated with Equipment Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full depreciation on equipment purchased from</strong></td>
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<tr>
<td><em>unrestricted or institutional funds</em></td>
</tr>
<tr>
<td><strong>Allowable cost</strong> to recover within Core</td>
</tr>
<tr>
<td><strong>service charges</strong></td>
</tr>
<tr>
<td><strong>Partial depreciation on equipment purchased</strong></td>
</tr>
<tr>
<td>from a combination of <em>unrestricted, institutional</em></td>
</tr>
<tr>
<td><em>funds and restricted, federal funds</em></td>
</tr>
<tr>
<td>The portion related to the <em>unrestricted</em></td>
</tr>
<tr>
<td><em>fund contribution to the purchase</em> is an allowables</td>
</tr>
<tr>
<td><em>cost to recover in Core service</em></td>
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<tr>
<td><strong>Unallowable/Excluded Cost</strong></td>
</tr>
<tr>
<td><strong>Partial depreciation on equipment purchased</strong></td>
</tr>
<tr>
<td>on <em>unrestricted, institutional funds and</em></td>
</tr>
<tr>
<td><em>cost-shared on restricted, federal funds</em></td>
</tr>
<tr>
<td><strong>Unallowable/Excluded Cost</strong></td>
</tr>
<tr>
<td><strong>Full depreciation on equipment purchased from</strong></td>
</tr>
<tr>
<td><em>restricted, federal funds</em></td>
</tr>
<tr>
<td><strong>Unallowable/Excluded Cost</strong></td>
</tr>
</tbody>
</table>
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 institution cost-shared portion is also unallowable in the rates. Table 3 summarizes allowable and unallowable equipment costs for Cores.

### 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 Shared Resources associated with specific sponsored projects, the PI of the grant program. 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 in developing Core business plans, working closely with the Core Director 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
- Recharge Center General Information (Exhibit A) 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 (3-04-xxx-8xxx format) for easy identification in the VUMC Ledger and Management Reports. All Core expenses, including personnel, supplies, 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. The manager acts as the agent of the director/PI in administrative and operations matters and works closely with Core Administration to propose initial prices/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, providing this information on-line and in print.

**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 by the Institutional Shared Resource Oversight Committee (ISROC). See the ISROC Guidelines for additional information.

**IDS Recovery**

Revenue received from external customers is subject to internal overhead allocations, known as IDS taxes. External users are therefore charged a higher rate to cover the internal IDS taxes. If external revenue is expected, the Core business officer 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.

**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 and purchasing records for audit purposes, retaining these records for 8 years at minimum. Annual review of Core billing rates, budget, external billing and accounts receivable, will be required for all Cores.

The Office of Research will also facilitate the invoicing process and upload of charges to the Department of Finance at the end of each billing cycle, and will work with each Core should to set up a billing module in the central system.
Charging/Payment Process

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

- Scholarship vouchers may be pre-billed, consistent with Scholarship Redemption Policy.
- International customers may be pre-billed for up to half the estimated cost of service. Use of a pre-paid accounting mechanism is required. Contact the Office of Research for guidance.

All charges to users whether internal (Vanderbilt) or external (non-Vanderbilt) should be billed using the central billing system (either C.O.R.E.S. or iLab). 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, and entering charges in a timely manner. In addition, Core managers are responsible for charge verification and charging non-Vanderbilt users consistent with guidelines in the following sections.

Payment Methods

All Cores should use the Core Ordering and Reporting Enterprise System for billing. The use of 1180s (paper billing) for Core billing is not appropriate. Vanderbilt investigators may purchase Core products and services using any of the following:

Vanderbilt Investigators

- Vanderbilt 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 **Vanderbilt 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.

Non-Vanderbilt 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.

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

**Charge Verification**
Core managers should take steps to ensure 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 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 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.

**Charging non-Vanderbilt Users 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.

**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. Note that this is not an automatic process; action from the Core manager is required to send invoices.
- Ensuring 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.

Managers are also responsible for updating the Accounts Receivable (A/R) module in the billing
system by recording the receipt of external payments. For assistance in using these A/R functions, contact the Office of Research.

**NOTE:** The A/R module should only be used for tracking invoices billed to external customers. It should not be used to track any other type of usage, billing to any Vanderbilt investigator or cost center, scholarship voucher or VICTR-StarBRITE voucher.

**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.

**Regular post: Make checks payable to Vanderbilt University Medical Center and send to:**
Vanderbilt University Medical Center
Department of Finance
Dept 1236
P.O. Box 121236
Dallas, TX 75312-1236

**FedEx payments should be sent to:**
Mellon Financial Corporation
Lockbox 40303
1640 Phoenix Blvd., STE 110
College Park, GA 30349

**Wire Transfers should be sent to:**
Mellon Client Service Center
500 Ross Street, Room 154-0940
Pittsburgh, PA 15262-0001
ABA Routing: 043-000-261
Account: The Vanderbilt University School of Medicine
Account Number: 9037889
Swift Code: MELNUS3P

**General Ledger Accounting**
Order entry in the billing system generates standard ledger entries, processed at the end of each month. In general, corrections should be made prior to the end of the fiscal year if improperly coded. Cores that have program income should contact the Office of Research to arrange for these accounts to be correctly established in the billing system.

**Note:** Scholarship voucher transactions do not generate ledger entries; these transactions are retained within the billing system only.

**Internal user transactions**
- Debit Account 60425 — *used to record service fees charged to the user’s Vanderbilt cost center.*
- Credit Account 80425 — *used to record the internal user fee income on the Core’s 304 cost center.*

Contact the Office of Research if a different accounting method is required.

**External user transactions:**
- **Invoiced Transactions – Receivable**
  - Debit Account 13155 — *used to record debit to the Core’s 304 cost center.*
  - Credit Account 44995 — *used to record credit to the Core’s 304 cost center.*

When payment is received, the associated “receivable” amount debited to 13155 will be reversed by the Department of Finance.

**Clear receivable account:**
- Debit Account 44995 — *used to record debit to the Core’s 304 cost center*
- Credit Account 13155— *used to record credit for payment received on the Core’s 304 cost center.*

At this time, it is not possible to adjust the account codes used for external invoices in the billing system.
Summary

Vanderbilt University Medical Center Cores operate in a unique environment. The use of the centrally managed C.O.R.E.S./iLab 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 Vanderbilt general policies relating to service center operations and direct costs. All Vanderbilt University Medical Center Shared Resources and Core Facilities 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 all Shared Resources and Core Facilities.

References:

- VUMC Office of Research – Core Administration
  https://medschool.vanderbilt.edu/oor/core-administration
- Vanderbilt University Service Center Policy
  www.vanderbilt.edu/ooga/vupolicies/servicecenter/Service%20Center%20Policy.pdf
- Vanderbilt University Guidelines for Charging Direct Costs
  www.vanderbilt.edu/ooga/vupolicies/directcost/directcost.htm
- Federal Uniform Guidance
  https://cfo.gov/cofar/
- NOT-OD-13-053 FAQ for Costing of NIH-Funded Core Facilities

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