



College of Engineering
UNIVERSITY OF WISCONSIN-MADISON

136 Project Guidelines and Processes

- 136 projects are used to account for revenue generating activities and the expenses incurred to produce that revenue. There are various types of revenue generating activities.
 - **Fee for service**

PI wants to provide specific and often one-time service(s) for a particular customer. There are two ways for this service to be setup; 1) Direct billable – some type of “contract” must be in place for all fee for services (e.g., published rates for Internal customers or a PO with billing terms for External customers) or 2) A UW/sponsor executed contract clearly stating what is being delivered along with Terms & Conditions. Prior to submission of the service proposal to the sponsor, the PI should work with the department Research Administrator to develop a line item budget supporting the expenses to be charged against the revenue generated by the service(s). The department Research Administrators should verify the budget conforms to the guidance provided by the Office of Auxiliary Operations - <https://aoa.wisc.edu> . The department Research Administrator should also confirm that the scope of work is service related activity rather than research. Once the sponsor approves the service proposal, if they request a contract, department Research Administrator should complete UW’s standard Fee-for Service template, <https://rsp.wisc.edu/forms/> upload this document, scope or work and budget (approved by department Chair or Department Administrator) to WISPER and route the WISPER record to the Research Services Team. If Research Services Team confirms the scope of work is service rather than research related, the Research Services Team will review and approve the contract then forward the contract to Research and Sponsored Programs for approval, and signing.
 - **Seminars, Courses, Meetings** – PI led research or instructional outreach type activities.
 - **Lab Services** – Lab equipment being made available for use by other CoE or campus PIs for a usage fee. The process for establishing equipment use pricing should be reviewed by Jerry Hunter. Pricing has to be carefully established to avoid violating Federal regulations and be posted/advertised in the correct manner to also meet regulations.
- Effective **January 1, 2019**, the College of Engineering is establishing the following guidelines and processes for setting up and managing 136 projects on an ongoing basis.
 - **Set up of new 136 projects** –
 - If a PI wishes to establish a new revenue generating operation or a one-time fee for service agreement, the accounting for the new activity must be managed through the department 136 project for a minimum of one year until the annual financial and transactional activity warrants a separate 136 project.
 - Annual financial and transactional activity required for a separate 136 activity:
 - The revenue operation should generate multiple revenue transactions over

the course of the fiscal year totaling at least \$25,000.

- Expenses associated with generating the revenue need to be appropriately applied against the revenue as incurred.
 - The operation needs to be at least break even at the time a new 136 project is created.
- **Annual management and oversight of 136 projects –**
 - 136 operations will be reviewed by the College annually at the beginning of the third fiscal year quarter. A 136 project will be cleared and closed out back to the department 136 under any one of or a combination of the following circumstances:
 - The 136 project has had less than \$25,000 of annual revenue each year in the preceding two fiscal years.
 - The 136 project has had a deficit balance in the preceding two fiscal years.
 - There is a 50% or more decline in transactional activity in the preceding two fiscal years.
 - If the annual financial and transactional activity changes and subsequently meets the criteria above for setting up new 136 projects, the former 136 project may be reopened.
- **Monthly financial and administrative processes for 136 projects –**
 - The department is responsible for the monthly revenue invoicing, accounts receivable collections and expense accounting for the revenue operation. If the revenue operation requires inter-departmental billing, departments need to prepare and forward excel spreadsheets to CoE Business Services to JET upload. A template will be provided. This will replace the interdepartmental billing form currently shown on the Accounting Services webpage.
 - The PI and the department are jointly responsible for determining alternate funding resources if the revenue operation cannot support expenses charged to it during the course of the fiscal year.
 - Checks remitted in payment for revenue generating operations should be forwarded to the College Business Services office for deposit.