

_____ **University of Pennsylvania**



Letter of Understanding No. _____

Description of Services

Letter of Understanding

This Letter of Understanding (LOU) is made and entered into between _____
 University of Pennsylvania (hereinafter “_____ University”) and the university named below.

Note: All fields marked with a red asterisk are required fields.

1. Program Information

Program Information	
University*	Choose an item.
LOU Tracking Number	(Assigned by Procurement)
Name of Program/Activity*	
Author*	
Title	
Department	
LOU Effective Date*	Click or tap to enter a date.
LOU Expiration Date*	Click or tap to enter a date.
LOU Amount	
May payment exceed LOU amount?	Choose an item.
Will funds be paid in advance?	Choose an item.
Will unexpended funds be returned upon completion of the project?	Choose an item.
Payment Schedule (If “Other” is selected, enter a description on the line below.)	Choose an item.
Payment Schedule—Other (Description)	
Is reallocation among line items permitted?	Choose an item.
Final Date for Submission of Invoices*	Click or tap to enter a date.

2. Work Statement

Work Statement	
Describe deliverables and expectations of Parties. If additional space is required, provide description as an attachment.*	
Attachments	Choose an item.
List Attachments	

3. _____ University Funding (Complete either Cost Center Funding or Grant Funding.)

Cost Center Funding	
Cost Center Number*	
Internal Purchase Order Number (If payment by invoice)	Assigned by Procurement

Grant Funding	
Grant WBS Number*	
Grant Funding Announcement Number	
Grant Funding Announcement Date	
Grant Funding Award Number	
Grant Funding Award Date	
Source of Grant Funds	Choose an item.
Description of "Other" Source of Grant Funds	

4. _____ University Accounting Instructions

Accounting	
Record as Minor Object	
Type of Funds*	Choose an item.

5. Budget Information* (Provide additional budget details, as necessary, in a Work Statement.)

Budget	
Salary/Wages	
Associated Benefits (Social Security, Retirement, etc.)	
Will _____ University be reimbursed for employee salary and benefits?	Choose an item.
Will the Employee receive additional compensation via payroll?	Choose an item.
Will _____ University be reimbursed for faculty release time?	Choose an item.
Operating Expenditures—Travel	
Operating Expenditures—Supplies	
Operating Expenditures—Other (Amount)	
Operating Expenditures—Other (Description)	
Capital Expenditures—Other (Amount)	
Capital Expenditures—Other (Description)	
Total Expenditures—Other (Amount)	

6. Terms and Conditions

- a. **Term.** Both Parties agree that all services/deliverables will be performed/provided as specified in this LOU beginning immediately upon signing by all Parties. Either Party may terminate this LOU for its convenience upon thirty (30) days' written notice to the other Party. This LOU will be considered mutually concluded after all specified services/deliverables have been performed/provided, or when the expiration date has been reached.
- b. **Invoicing/Billing.** If applicable, _____ University shall submit itemized invoices outlining satisfactorily completed services/deliverables. Invoices must include only amounts due under this LOU, referencing specific sections of the Work Statement and/or Budget, and must reference the LOU number listed herein. Approved invoices will be paid within 30 days of receipt.
- c. **Budget.** Both Parties have the option to reallocate funding among or within budget categories and line items, provided the total budget is not exceeded by the amount previously authorized and the funding agency allows for such reallocations. _____ University may exceed expenditures in individual budget line items by 10 percent without notice or approval if the change does not cause an increase greater than that otherwise expressly allowed by this LOU. Any notices or requests for adjustments to the period of completion, budget revisions in excess of 10 percent of a line item, or changes in personnel or report deadlines must be submitted in writing at least ten (10) days in advance.
- d. **Supplemental Understanding for Grants** (if applicable). With approval, costs incurred within ninety (90) days prior to the effective date of this agreement are eligible for reimbursement. _____ University shall comply with all applicable laws, regulations and grant guidelines, including the funding announcement and the funding award requirements. All employee compensation will be provided in conformance with collective bargaining agreements, the Fair Labor Standards Act, and OMB Circular A-21. _____ University shall acknowledge the support from this grant in any publicity or publications about this project.

_____ University shall provide _____ University with data required to fulfill grant reporting requirements, including aggregate demographics of project participants, and other such data as reasonably available.

- e. **Nonexclusivity.** Both Parties may enter into similar agreements or understandings with other Commonwealth agencies and with private entities, and may purchase similar services from other providers during the term of this LOU.
- f. **Claims and Notices.** If work as outlined in the attachments is not performed satisfactorily, claims and notices must be made within sixty (60) days, and both Parties must be provided with reasonable opportunity to address outstanding issues.
- g. **Intellectual Property.** The following provisions apply as checked:
 - Licensed or copyrighted materials provided by either Party are subject to terms, conditions, policies, and fees (if any) in effect for that licensed material. Therefore, both Parties shall: (a) protect all property rights in the licensed or copyrighted documentation in a manner consistent with the maintenance of patents, copyright, and trade secret rights, as applicable; (b) not sell, transfer, or otherwise make the licensed or copyrighted documentation available to others; and (c) have no right, title, or interest in any licensed or copyrighted materials, except as set forth in the Work Statement, and not copy or distribute licensed or copyrighted materials, except as specifically provided in the Work Statement or subsequent correspondence.
 - Ownership of Intellectual Property created by State System faculty as a result of this project shall be determined by application of the current APSCUF Collective Bargaining Agreement. _____ University shall follow procedures outlined in the Technology Transfer and Commercialization Guide for State System Faculty and/or, if applicable, the Technology Transfer and Commercialization Guide for State System Non-Faculty Personnel.
 - Intellectual property created as part of the Work Statement shall be the property of _____ University and/or the Sponsor. _____ University shall execute Work for Hire Agreements, and if necessary an assignment agreement, with faculty as needed in order to comply with this requirement.
- h. **Capital Expenditures.** Unless otherwise indicated in the Work Statement, all capital expenditures become the property of _____ University.
- i. **Dispute Settlement.** This LOU is not a legally binding contract and is not enforceable in a court or in the Board of Claims. Any disagreements arising from the interpretation, execution, or performance of this LOU will be referred to _____ University for resolution.
- j. **Amendments and Change Orders.** Any changes, corrections, or additions to this LOU shall be in writing in the form of a supplemental agreement signed by all Parties below and setting forth therein the proposed change, correction, or addition.
- k. **No Legal Effect.** This LOU is not intended to, and does not, create any contractual rights and obligations with respect to signatory agencies or any other Parties. This LOU may be terminated by either Party if any of its provisions is defaulted upon or either Party fails to complete the work in a timely manner.

7. Signatures

Signatures			
_____ University		_____ University	
Cost Center Manager	Date	Project Director (Optional)	Date
Project Director (Optional)	Date	Vice President for Administration & Finance (or Delegate)	Date
Controller	Date	Controller	Date
Vice President for Administration & Finance (or Delegate)	Date	Grant Officer (if applicable)	Date
Other (include title)	Date	Other (include title)	Date