

# **Service Center Policies and Procedures Manual**

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## MANUAL PURPOSE

The University of Cincinnati's Service Center Policy and Procedures manual was developed in accordance with the University of Cincinnati policy for [Service Centers \(Policy 2.1.24\)](#) to ensure compliance with federal and state regulations and to establish standard accounting principles. Service Centers must comply with federal regulations established in the [Uniform Requirements Cost Principles and Audit Requirements for Federal Awards \(2 C.F.R Part 200\)](#). Service Centers must also comply with the University of Cincinnati Service Center Policies and Procedures established within this manual.

The University of Cincinnati Service Center Policies and Procedures Manual provides criteria on establishing, maintaining and accounting for Service Centers in accordance with University policy and federal regulations. It does not include procedures for processing Service Center financial activities. These are covered in the "University of Cincinnati Service Center Recharge Accounting Procedures" manual.

### **Key Federal Compliance Requirements**

- Rates should recover no more than the cost of the good or service.
- Rates must break-even over time, not necessarily each year.
- Rates cannot discriminate between users, especially federal users.
- Surplus from one service center cannot be used to fund unrelated activities.
- Must maintain published price list.
- Equipment use (depreciation) may, but is not required to be included in the rate, so long as the equipment was not purchased with federal funds.
- Capital Assets must be spread over the useful life (instead of one year) for equipment costs that are greater than \$5,000 and a useful life that is greater than one year and for software purchases that are \$100,000 or more.

## DEFINITIONS

**Recharge Units:** are units that are permitted to charge for services rendered. The charges are intended to recover the costs of providing the service. Units or activities established for the purpose of developing a rate for services that charge federal users for goods or services must be a Service Center.

**Service Center:** are *Recharge Units* within the institution that provide a service or group of services or product or group of products to users within the institution for a fee. The rates charged by the Service Centers are calculated so that the center recovers its costs. The University has two types of Service Centers:

1. **University Service Center:** are *Recharge Units* that provide a service or product on a continuous basis to the University Community (including the public) and charges the user a predetermined rate calculated to recover the units total operating costs including internal overhead costs (indirect costs). The unit's internal overhead costs are material (>\$100,000) and included in the rate calculation. Examples may include Consolidated Utilities and UCit. The internal overhead costs (indirect costs) are recovered through the unit's rates. Internal overhead (indirect costs) often charged to the unit are building use allowance, general administration & expenses, and university operation & maintenance expense. Other University cost pools that can be included, only if applicable are; library costs, departmental administration expense, student administration and services, and sponsored projects administration.
2. **Departmental/College Service Center:** are *Recharge Units* that provide a specific type of service or product to a limited segment of the University community and charges a predetermined rate calculated to recover the direct costs of providing the service. The unit's internal overhead costs that could be allocated do not materially affect the University's indirect cost pool. The indirect costs of this service would remain as part of the costs of the University. Examples may include copy services, animal care services, technical research equipment, or laboratory analysis services.

**Sales and Service Units:** Recharge Units are units that sell goods and/or services only to customers outside the university community. [Sales & Services Funds Policy 2.1.32](#)

**Auxiliary:** are *Recharge Units* that are self-supporting enterprises, which provide goods/services to the University community and charge a rate or fee directly related to, although not necessarily equal to, the total cost of goods or services provided. The distinguishing characteristic of these units is that they are managed as self-supporting units. Examples may include Residence Halls, Dining Facilities, Tangeman University Center, and Parking Garages.

**Direct Cost:** The Code of Federal Regulation Title 2 part 200 section 200.413 defines direct costs as follows: "Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy." All direct costs must be charged directly to the Service Center. These costs include salaries, fringe benefits, materials and supplies, services, travel expense, equipment rentals or maintenance contracts, and equipment depreciation.

**Indirect Cost:** Indirect costs are the costs of administration and supporting functions of the University. These costs may include general administration, executive management, payroll, accounting and personnel administration, building operations and maintenance, custodial services, building interest and depreciation. The Code of Federal Regulation Title 2 part 200 section 200.56 defines indirect costs as follows: "Indirect (F&A) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived."

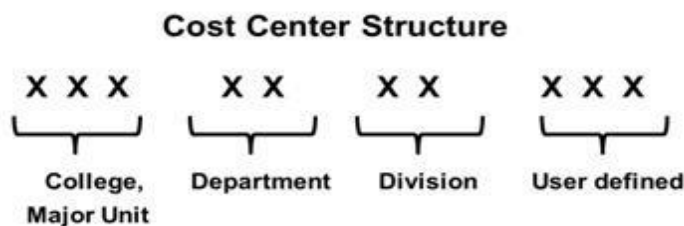
**Allowable Costs:** Costs must be allowable under federal regulations and sponsor terms and conditions, including program-specific requirements and university policy. To be allowable: costs must be reasonable and necessary, be allocable to federally sponsored projects under the principles and methods provided in the Code of Federal Regulations, be given consistent treatments, and conform to any limits or exclusions set forth in the Code of Federal Regulations part 200 or the terms and conditions of the award. [Policy 2.1.22 Allowability, Reasonableness and Allocability of Costs for Sponsored Projects.](#)

**Unallowable Costs:** Unallowable costs are costs that have been determined unallowable by [The Code of Federal Regulations Title 2 part 200 subpart E](#). All unallowable expenses must be excluded from federal user rates. Examples of unallowable costs are bad debt, internal interest, equipment reserves, entertainment, fines or penalties, gifts, airfare in excess of coach, memberships, sales tax, any costs that are found to be unnecessary or unreasonable to the activity of the service center.

**Designated Service Center Funds:** Service Center Funds (D6xxxxx) for recovery of expenses, expenses, and transfers of designated service centers

**Renewal and Replacement Funds:** Plant Funds (P6xxxxx) are funded from sources such as depreciation and funds are set aside to be used for renewal and replacement of physical properties (e.g. equipment purchases).

**Cost Centers:** Cost centers are utilized to segregate financial activity (recovery, expenses and transfers) based on the type of operation at the University and are pivotal to the budgeting process. There is a numbering logic imbedded in the 10-digit cost center number contained in UC Flex.



For example, in the cost center of 6262400000, the first three digits of 626 would represent the College of Medicine & the following two digits of 24 would represent the Department of Internal Medicine

**Internal User:** Any user who pays for the service from a source of funds on University books including unrestricted undesignated funds, unrestricted designated funds, and restricted funds from gift funds or endowment funds.

**Federal User:** Any user who pays for the service from a federal source including sponsored program funds and external federal customers.

**External User:** Any non-federal user who pays for the service from a source of funds not on University books. Recovery generated from External users are subject to the University's business assessment tax.

**Affiliated User:** An external user that provides a service that benefits the University and is treated as an internal unit. An example affiliate user would be Cincinnati Children's Hospital Medical Center.

# **ADMINISTRATIVE RESPONSIBILITIES**

## **RECHARGE COUNCIL RESPONSIBILITIES**

The Recharge Council is chaired by the Director of Government Cost Compliance, which includes individuals from Sponsored Research Accounting, Provost Office, Controllers Office, Budget Management, A&F Finance, College of Medicine, Student Affairs and Faculty & Staff Senate. A current list of council members is available on the [Government Cost Compliance website](#).

Recharge Council Meetings are held on the first Wednesday of the month, September thru June. Service Centers present their questionnaire to the Recharge Council during a monthly council meeting. The Recharge Council will vote to approve or disapprove the rates based on the submitted questionnaire.

Responsibilities Include:

- Attending Monthly Recharge Council Meetings
- Review Service Center Questionnaires to ensure that rates are being calculated to break-even and to ensure that the Service Center is compliant with University and Federal Regulations
- Vote to Approve or Disapprove of the rate presented by the Service Center

## **SERVICE CENTER RESPONSIBILITIES**

Service center management is responsible for the oversight of ongoing operations and ensuring University and Federal compliance.

Responsibilities Include:

- Creation and/or dissolution of Service Centers with the Controller's Office
- Review financial information periodically to ensure break-even status or necessity to change rates
- Calculate rates, during set reviews, based on estimated expense data and projected usage and complete the service center questionnaire that is submitted to the Recharge Council for approval
- Present the service center questionnaire at a scheduled Recharge Council meeting
- Ensure that rates comply with the criteria outlined in this policy
- Account for subsidies provided to the service center, if applicable
- Assist with internal and external audits

## **GOVERNMENT COST COMPLIANCE RESPONSIBILITIES**

Government Cost Compliance is responsible to ensure compliance with applicable federal cost principles and established university policies.

Responsibilities Include:

- Maintain and Publish the University of Cincinnati Service Center Policy and Procedures Manual
- The Government Cost Compliance Director is to chair the Recharge Council
- Coordinate Recharge Council Meetings
- Review all submitted service center questionnaires & rate calculations
- Retain documentation of rate calculations on all approved service center rates
- Assist Service Center management with the rate review and approval process
- Regularly review Service Center fund balances
- Annual review of service center invoices, and actual document journal details for consistent application of Service Center policies
- Review all internal transfers (A123s) to and from Service Center funds.
- Prepare rate approval letters
- Publish approved rates on the Government Cost Compliance website



## CRITERIA FOR DETERMINING A SERVICE CENTER

The Vice President for Finance or his designee will evaluate and determine if a unit should be designated as a University Service Center, Departmental Service Center, or another type of Recharge Unit based on the criteria contained in the [Code of Federal Regulations](#). Initial determination needs to be made, that the unit will operate on a continuous basis with frequent transactions.

- Determination of whether the unit performs services for the entire University community, or a large portion of the University community, which is necessary criteria for qualifying as a University Service Center.
  - If the unit provides service to a very limited number of departments, that center would not qualify as a University Service Center, but rather as a Departmental Service Center, or other Recharge Unit.
  - If the unit provides services to only external non-federal users, that unit would not qualify as a Service Center, but rather a Sales and Service center.
- If that amount of indirect cost likely to be allocated to a proposed service center is material (\$100,000 or greater), the service center qualifies as a University Service Center.

## SETTING UP A SERVICE CENTER FUND

Upon ascertaining that an entity is a Service Center, it is necessary for the management of the Service Center to complete the following:

- 1) [Complete an E-form in UC Flex](#) to create a service center. The E-form is used to create, change or close funds, cost centers/fund centers, and general ledger accounts in UC Flex. Service Centers will need to submit a request to create a Designated Service Center Fund (D6xxxxx), a Cost Center, and a Renewal & Replacement Fund (P6xxxxx).
- 2) A [Service Center Questionnaire](#) must be submitted for review and rates must be approved prior to the unit beginning operations. The questionnaire includes a projected annual budget, equipment depreciation schedule, rate calculations, and proposed rates. Rates must be calculated to break-even over time.

# **SERVICE CENTER REVIEW & RATE APPROVAL**

## **University Service Centers Budget Review and Rate Approval**

Service Center Questionnaires are reviewed annually, by Government Cost Compliance and the Recharge Council.

The Service Center Questionnaire must be completed by the Service Center and sent to Government Cost Compliance for review. Government Cost Compliance will review the questionnaire and assist Service Center management with preparing the questionnaire.

The final questionnaire must be submitted to the chair of the Recharge Council.

The Service Center must present the final questionnaire to the Recharge Council for approval. Once the rates are approved, a rate approval letter will be sent to the Service Center. All approved rates are published on the Government Cost Compliance website.

## **Departmental Service Centers Budget Review and Rate Approval**

Service Center Questionnaires are reviewed no less than bi-annually by Government Cost Compliance and the Recharge Council. The rates are approved only by the Recharge Council.

The Service Center Questionnaire must be completed by the Service Center and sent to Government Cost Compliance for review. Government Cost Compliance will review the questionnaire and assist Service Center management with preparing the questionnaire.

The final questionnaire must be submitted to the chair of the Recharge Council.

The Service Center must present the final questionnaire to the Recharge Council for approval. Once the rates are approved, a rate approval letter will be sent to the Service Center. All approved rates are published on the Government Cost Compliance website.

## **Annual Reviews of Financial Activity**

Government Cost Compliance will regularly review Service Center fund balances, service center invoices, and actual document journal details for consistent application of Service Center policies.

Service Centers must provide documentation that support the billings and operating expenses requested by Government Cost Compliance during the annual review.

# BUDGETING FOR SERVICE CENTERS

Service Centers must develop budgets where rates break-even; recovery will offset expenses over the budget period.

The recovery budget should be based on estimated volume of goods or services sold multiplied by the applicable rates. Considerations should include prior year performance, prior year subsidy levels, and future needs of all users when estimating recovery and usage levels.

Lump sum subsidies should be included in the budget.

Expense budgets should include all allowable direct costs for operating the Service Center including administrative expense directly associated with the operations of the Service Center.

Allowable Direct Expense Categories include:

- Salaries and fringe benefits
  - The costs of salaries, wages, and fringe benefits of personnel directly involved with (i.e. devoting effort to) service center activities are allowable.
- Materials, services, and supplies
  - Materials, services and supplies necessary to carry on the business of the Service Center are allowable.
- Non-capital equipment
  - Non-capital equipment is allowable. The cost of the equipment must be less than \$5,000 and a useful life less than one year.
- Equipment depreciation
  - If equipment is depreciated, it should be shown in the rate proposals. The amount of depreciation as calculated by the University are allowable
- Travel & conferences
  - The costs of travel related directly to and necessary for the operation of the Service Center (i.e. conferences, meetings, local travel) are allowable.
  - Travel expense must comply with the [University's travel policy \(2.1.6\)](#)
- Other direct costs
  - Other direct costs not identified above are allowable to the extent that they relate directly to and are necessary for the operation of the Service Center and are not specifically unallowable by the [Code of Federal Regulations](#)
  - Academic units may charge federal users tuition and fees for established, published courses, both credit and non-credit, without the establishment of a service center, so long as the costs for those courses represent the preferred rate, and are developed in a manner consistent with the purpose of the Service Center process. Charges for courses may be accomplished via scholarship payments to matriculated students, or through other means as needed for non-matriculated students.
- Indirect costs (University Service Centers Only)
  - Internal University Overhead are allowable for University Service Centers

Unallowable expenses may be included in the budget but must be excluded from the federal user rate. All expenses must also be allowable under University policy. For a complete list of federal unallowable expenses, refer to [Subpart E of the Uniform Guidance](#). Refer to [University Financial Policies](#) for the allowability of expenses.

Unallowable Expenses Categories include but are not limited to the following:

- Alcoholic beverages
- Bad Debt
- Capital Equipment Purchases
- Donations and Contributions
- Entertainment
- Fines or Penalties
- Gifts
- Internal Interest
- Memberships
- Salaries over the NIH cap
- Scholarships and student aid

### **Capital Assets**

Capital assets are defined as an item with a purchase price of \$5,000 or more with an estimated useful life greater than one year. Software purchases of \$100,000 or more are considered a capital asset and may be depreciated in the Service Center. [University Capital Asset Policy 2.1.13](#) Federal guidelines do not allow the purchase price of capital assets to be recovered through service center rates. The rates should include depreciation of the equipment or software as calculated by the University to allow for recovery of its purchase cost over its useful life. Capital assets purchased with federal funds cannot be included in the user rates. Capital assets should be accounted for in a separate fund account (P6xxxxx). Capital assets are reported on the [equipment use tab of the questionnaire](#).

Any questions regarding the allowability of expenses may be addressed to the Government Cost Compliance office.

Service Centers will report annual budgets using the [Service Center Questionnaire](#) during the rate approval process. Personnel and Fringe Benefit expenses are reported on the direct & indirect personnel tab of the questionnaire. Direct material costs are reported on the direct material tab of the questionnaire. Capital assets are recorded on the equipment use tab of the questionnaire. All other costs are reported on the other direct & indirect cost tab of the questionnaire. Projected Billable units are recorded on the summary tab. The previous fiscal year's actual recovery & expenses are reported on the budget tab of the questionnaire.

# RATE DEVELOPMENT

## **Rate Calculations Regulations & Policies**

Rate calculations are to be submitted during the rate approval process. The rate calculations are calculated by completing the [service center questionnaire](#).

Rates established by service centers must be non-discriminatory, and all users of the facility must be billed for services. Non-discriminatory means all internal/federal users must be charged at the same rate(s) for the same level of services or products purchased.

External and Affiliate users may be charged a higher billing rate than internal/federal users to recover F&A costs, other related expenses or to subsidize internal users.

Federal rates must be lower or equal to the lowest rate charged.

The Uniform Guidance requires that Service Centers charge according to actual usage at non-discriminatory rates calculated to recover no more than the actual costs of the service provided. See Appendix A for Uniform Guidance section 200.468. To meet this federal regulation, the rates charged to federal users may not exceed the cost of providing the good or service. Service Centers must exclude federally unallowable expenses from their billing calculations for federal users. For a complete list, refer to [Subpart E of the Code of Federal Regulations](#) on expenses ineligible for federal reimbursement.

Unallowable Expenses Categories include but are not limited to the following:

- Alcoholic beverages
- Bad Debt
- Capital Equipment Purchases
- Donations and Contributions
- Entertainment
- Fines or Penalties
- Gifts
- Internal Interest
- Memberships
- Salaries over the NIH cap

A separate rate should be calculated for each user type.

Service Centers offering multiple services should calculate appropriate rates for each service. The goal is to create a billing rate that does not cross-subsidize between services or user groups. Blending costs and recovery of various services is not allowed if the component costs of each service is different because it would result in lower cost services users subsidizing higher cost service users.

## **Break-Even Period**

University Service Centers should perform its operations to break-even over a period. The period should be no less than one year and no greater than five years.

Departmental Service Centers should perform its operations to break-even over a one-year period.

## **Rate Calculation**

A Service Center rate is the cost per unit of goods or services sold set to recover the expense of providing the good or services and achieve a break-even financial position. The use of an appropriate billable unit is essential to ensuring that users are charged only their fair share of the actual costs.

Rates are based on budgeted projections of operating expense, including the carryforward surplus/deficit divided by projected levels of activity (billable units).

$$\frac{\text{Budgeted Expenses +/- Cumulative Carryforward Surplus/Deficit}}{\text{Projected Level of Sales of Goods/Services (Billable Units)}}$$

A billable unit is the measurement used to identify the specific goods or services provided by the Service Center.

Examples of Billable Units Include:

- Labor Hours
- Machine Hours
- Unit Cost
- Number of Samples
- Tests Performed

For example, a microscope costs approximately \$100,000 per year to operate and has an estimated usage (activity level) of 2,000 hours during the year. The resulting hourly rate would be calculated as  $\$100,000/2000 \text{ hours} = \$50.00 \text{ per hour}$ . A researcher using the microscope for 4 hours would then be charged \$200.00, or  $4 \times \$50.00$ .

Rate calculations are to be submitted during the rate approval process.

## **Surplus & Deficit Carryforward Balances**

A service center's surplus should not exceed the allowable 60 day working capital limit. Service Centers should operate at break-even (i.e., recovery = expenses) over the budget period. The federal government allows for over-recoveries and under-recoveries, provided that, upon determining that the break-even was not achieved, rates are adjusted accordingly by incorporating such over-recoveries and under-recoveries into subsequent years' rates.

*Service Centers must account for over-recoveries (surpluses) and under-recoveries (deficits) annually so that they may be factored into any new rates.*

Surpluses from Service Centers cannot be used to fund unrelated activities

Surplus generated from external users may be transferred out of the service center with approval from the units Vice President or Dean and Government Cost Compliance under the following conditions:

- The surplus can be directly associated with External Users
- The Service Center will retain a positive fund balance after the transfer
- The Service Center was not subsidized with internal UC funds

The surplus or deficit balance must be reported on the Surplus-Deficit calculation tab of the [service center questionnaire](#).

## **Service Center Subsidies**

Lump sum subsidies should be included in the budget. *Subsidies can be applied to Service Center rates as follows:*

- Rates can be set so all users are charged based on the reduced cost of the service provided from the subsidy.
- Service Centers can subsidize specific groups of internal customers (i.e. students, or members of a lab)
  - Federal Users must be charged the lowest rate being offered
  - Subsidies are applied after rates are calculated for all users based on total expense and total billable units.
- Service Centers can subsidize specific services by offering lower rates.

Grants and restricted funds (e.g. endowment or restricted gift funds) cannot provide lump sum subsidies to service centers. The applicable expenses must be charged directly on the award or fund in the general ledger. The amounts should be included in the budget and will be reflected in the applicable rate calculations.

Subsidies are reported and allocated to rates on the Subsidy tab of the [service center questionnaire](#).

# REVENUE & EXPENSE FINANCIAL ACTIVITY

## Posting Recovery of Expenses

Billings must be based upon measured and documented utilization.

Billings cannot occur until the goods or services have been rendered.

It is recommended that billings for goods and services be accomplished on a monthly basis in order to align recovery with the timing of the expenditures incurred that generated the recovery. At year-end, billings for the month of June should be prioritized so that they are recorded on the accounting system before year-end. Should a department not be able to meet this period and the total on unbilled recovery is material, a listing of unposted billings should be provided to the Controller's Office to allow for the accrual of recovery in the same fiscal year in which they were earned.

Internal UC users should be billed in the University's financial system using general ledger code 580100. Internal Users should be provided a detailed statement of the charge, that includes the quantity, rate, and service, and total amount billed.

External users should be invoiced in the University's financial system using general ledger code 580400. Invoices must include the quantity, rate, service and total amount billed.

Affiliate users and external federal users should be invoiced or billed in the University's financial system using the general ledger code 581300. Affiliates invoices/statements must include the quantity, rate, service, and total amount billed.

A New [Customer Maintenance Form](#) must be completed for external users to be setup in UCflex. See: [Policy for Invoicing External Users](#)

Copies of the invoices and statements need to be retained by the service center.

## Functional Area Coding for Recovery & Expenses

[Functional Areas](#) are used to classify University expenses. Each functional area has a corresponding code that is used when recording financial transactions in UC Flex.

Academic units should use the functional area of 3 when recording recovery and expenses.

Non-Academic units should use the functional area that is appropriate to the service being provided. For example, Utilities and UCit would use the functional area of 6 and Printing Services would use the functional area of 5 when recording recovery and expenses.



## **Subsidy Transfers**

Subsidies should be processed using the A123 form. The A123 form must be submitted to the budget office for processing.

## **DISSOLUTION OF A SERVICE CENTER**

Service Center should be closed if it is no longer necessary and/or viable. The closeout procedures include:

- Removing all personnel from the Service Center.
- Cancelling or moving outstanding purchase orders.
- Transfer capital assets out of the Service Center.
- Submit transfer request (A123) to the budget office to move remaining funds or cover any deficits.
- Complete and submit form A200 to the controller's office.

# Service Center Questionnaire Example:

Questionnaire contain 8 sections that need to be completed.

1. **Questionnaire Summary tab** - which provides Service Center general information, a summary of the costs for each rate, a rate calculation, projected billable units, projected recovery, and an approval section.

SERVICE CENTER BILLING RATE APPROVAL REQUEST					
Service Center Name:	Specialized Instrumentation Center	Director:	John Smith		
Fund Number:	D6XXXXX	Contact Person:	Jane Thomas		
College/Department	College of Engineering & Applied Science	Contact Phone:	556-1111		
Effective Date for Proposed Rates to Begin:	8/1/2019	Current F&A rate:	60.5%		
<a href="#">Click Here for UC Service Center Policy &amp; Procedure Manual</a>		External Business Assessment Fee:	4.0%		
<b>Service Center Description: (Enter a brief description of the service center)</b>					
<b>Provide Testing for .....</b>					
Rates:					
	Service 1	Service 2	Service 3	Service 4	(Enter Service Rates Insert Columns to Add Additional Rates)
Direct Labor per Unit	\$ 44.92	\$ 55.74	\$ 77.68	\$ 47.70	(see tab 3 for calculation)
Indirect labor per Unit	\$ 3.26	\$ 3.26	\$ 3.26	\$ 3.26	(see tab 3 for calculation)
Direct Materials per Unit	\$ 3.67	\$ 2.81	\$ 3.48	\$ 0.29	(see tab 4 for calculation)
Depreciation Expense per Unit	\$ 8.44	\$ 5.55	\$ 3.57	\$ 3.90	(see tab 5 for calculation)
Other Direct Expenses per Unit	\$ 6.30	\$ 4.66	\$ -	\$ -	(see tab 6 for calculation)
Indirect Costs per Unit	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	(see tab 6 for calculation)
Unallowable Costs	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	(see tab 6 for calculation)
<b>Total Cost per Unit</b>	<b>\$ 68.63</b>	<b>\$ 74.06</b>	<b>\$ 90.04</b>	<b>\$ 57.20</b>	
Surplus/Deficit Carryforward/External Surplus	\$ 1.12	\$ 1.12	\$ 1.12	\$ 1.12	(see tab 7 for calculation)
Subsidy Funding	\$ (10.81)	\$ (10.81)	\$ (10.81)	\$ (10.81)	(Update Calculation to Pull from Chosen Subsidy Allocation on Tab
Calculated Rate					
Internal/Non-Federal Rate	\$ 58.94	\$ 64.37	\$ 80.34	\$ 47.51	Unit Cost + Carryforward + Subsidy
Federal Rate	\$ 58.30	\$ 63.73	\$ 79.70	\$ 46.86	Unit Cost + Carryforward + Subsidy - Unallowable Costs
External Rate	\$ 71.38	\$ 77.03	\$ 93.64	\$ 59.49	Unit Cost + 4% Fee
Proposed Rate					
Internal/Non-Federal Rate	\$ 58.94	\$ 64.37	\$ 80.34	\$ 47.51	
Federal Rate	\$ 58.30	\$ 63.73	\$ 79.70	\$ 46.86	
External	Internal + Market	Internal + Market	Internal + Market	Internal + Market	(Enter an external rate that is equal to or above the internal rate if
External Recovery for Internal + Market Rates Rate	\$ 3,200	\$ 2,500	\$ 800	\$ 1,200	(Enter Projected External Recovery including the 4% fee for propo
Projected Billable Units: (Enter Projected Volume for Proposed Budget)					
Internal/Non-Federal Rate	500	250	75	650	
Federal Rate	100	50	25	200	
External	35	22	5	15	
Total Billable Units	635	322	105	865	
Projected Recovery					
Internal/Non-Federal Rate	\$ 29,470	\$ 16,093	\$ 6,026	\$ 30,880	
Federal Rate	\$ 5,830	\$ 3,186	\$ 1,992	\$ 9,373	
External	\$ 3,200	\$ 2,500	\$ 800	\$ 1,200	
<b>Total Projected Recovery</b>	<b>\$ 38,500</b>	<b>\$ 21,779</b>	<b>\$ 8,818</b>	<b>\$ 41,452</b>	
List All Pass Through Rates					
These are rates in which the cost is passed directly to the user. No Indirect or Equipment Use are allocated to these rates.					
Rate Description	Projected Cost for Internal/Federal users	Projected Cost for External Users	Total		
Pass Through Transportation Costs	\$ 250	\$ -	\$ 250	(Enter Amount of Costs Expected to be Directly Charged to User at Cost)	
			\$ -	(Enter Amount of Costs Expected to be Directly Charged to User at Cost)	
			\$ -	(Enter Amount of Costs Expected to be Directly Charged to User at Cost)	
<b>Total Pass Through Costs</b>	<b>\$ 250</b>	<b>\$ -</b>	<b>\$ 250</b>		
<b>Other Information or Assumptions:</b>					
What steps are being taken within the Service Center to improve efficiency and reduce costs to the Customer?					
Approval Signatures:					
Questionnaire Completed by:		Date:			
Approved by:		Date:			
GCC Approval by:		Date:			
Recharge Council Review and Approval Date:					

2. **Questionnaire Budget tab** – in which all the previous year’s actuals are reported and compared against the proposed budget period for the new rates. Explanations must be provided for anything that has changed by 10%. The proposed budget will populate from data entered on the other questionnaire tabs.

Prior Fiscal Year Actuals / Projected Budget Comparison								
Copy & Paste URL to Obtain Prior Year Actuals: <a href="https://biportal.ucflex.uc.edu/irj/servlet/prt/portal/prtroot/pcd!3aportal_content!2fcom.sap.pct!2fplatform_add_ons!2fcom.sap.ip.bil2">https://biportal.ucflex.uc.edu/irj/servlet/prt/portal/prtroot/pcd!3aportal_content!2fcom.sap.pct!2fplatform_add_ons!2fcom.sap.ip.bil2</a>								
	Prior Fiscal Year Actuals		Projected Budget		% Change	% Change	\$	Provide exp
	FY 2018		FY 2019		Volume	\$	Change	
<b>Revenue</b>								
<b>Projected Recovery (Billable Rates)</b>	<b>Units</b>		<b>Units</b>					
Service 1	620	\$ 39,200	635	\$ 38,500	2%	-2%	\$ (700)	
Service 2	316	\$ 22,800	322	\$ 21,779	2%	-4%	\$ (1,021)	
Service 3	100	\$ 9,650	105	\$ 8,818	5%	-9%	\$ (832)	
Service 4	1,020	\$ 50,000	865	\$ 41,452	-15%	-17%	\$ (8,548)	Loss of
<b>Total Recovery from Billable Rates</b>		\$ 121,650		\$ 110,549		-9%	\$ (11,101)	
<b>Total Pass Through Costs Recovered</b>		\$ 245		\$ 250		2%	\$ 5	
<b>Total Recovery</b>		\$ 121,895		\$ 110,799		-9%	\$ (11,096)	
							\$ -	
							\$ -	
<b>Expenses</b>								
<b>Personnel Expenses</b>								
Faculty		\$ 12,550		\$ 12,750		2%	\$ 200	
Exempt		\$ 4,500		\$ 4,590		2%	\$ 90	
Dual Comp		\$ -		\$ -		-	\$ -	
Non-Exempt		\$ 50,000		\$ 51,000		2%	\$ 1,000	
Part-Time		\$ -		\$ -		-	\$ -	
Student		\$ 10,000		\$ 5,000		-50%	\$ (5,000)	Decreased c
Fringe		\$ 30,142		\$ 28,836		-4%	\$ (1,306)	Decrease ex
<b>Total Personnel</b>		\$ 107,192		\$ 102,176		-5%	\$ (5,016)	
<b>Direct Operating Expenses</b>								
Slides		\$ 3,000		\$ 3,051		2%	\$ 51	
Dye		\$ 675		\$ 800		19%	\$ 125	per unit cost
<b>Total Indirect Operating Expenses</b>		\$ 3,675		\$ 3,851		5%	\$ 176	
<b>Other Direct Expenses</b>								
Equipment Maintenance Contract Equipment X		\$ 15,500		\$ 5,000		-68%	\$ (10,500)	decrease in
Equipment Training		\$ 5,000		\$ 500		-90%	\$ (4,500)	training cost
<b>Total Other Direct Expenses</b>		\$ 20,500		\$ 5,500		-73%	\$ (15,000)	
<b>Indirect Expenses</b>								
Office Supplies (paper clips, staples, etc)		\$ 285		\$ 300		5%	\$ 15	
Lab Coats and Cleaning Supplies		\$ 1,950		\$ 2,000		3%	\$ 50	
Shipping Costs		\$ 396		\$ 400		1%	\$ 4	
Equipment Reserve		\$ 1,000		\$ 1,000		0%	\$ -	
<b>Total Indirect Expenses</b>		\$ 3,631		\$ 3,700		2%	\$ 69	
<b>External 4% Assessment</b>		\$ 290		\$ 296		2%	\$ 6	
<b>Pass Through Expenses</b>		\$ 245		\$ 250		2%	\$ 5	
<b>Depreciation</b>		\$ 10,500		\$ 10,893		4%	\$ 393	
<b>Total Expenses</b>		\$ 146,033		\$ 126,666		-13%	\$ (19,367)	
<b>Projected Subsidy</b>		\$ 20,000		\$ 20,000			\$ -	
<b>Projected Service Center Balance</b>		\$ (4,138)		\$ 4,133				
			Beginning Fund Balance	\$ (4,133)				
			Net Change	\$ 4,133				
			Ending Fund Balance	\$ 0				
			Allowable Fund Balance	\$ 24,339				







7. **Questionnaire Surplus-Deficit Calculation tab** – the surplus or deficit that must be used allocated to the rates are recorded on this tab, along with any projected surplus from external users.

Surplus-Deficit Carryforward									
Previous Fiscal Year Fund Balance									
Beginning Balance	\$	5							
Revenues	\$	121,895							
Expenses	\$	135,243							
Transfer In	\$	20,000							
Transfer Out	\$	10,790							
Ending Fund Balance	\$	(4,133)							
Copy & Paste URL for Service Center Fund Balance: <a href="https://biportal.ucflex.uc.edu/irj/servlet/prt/portal/prtroot/pcd!3apor">https://biportal.ucflex.uc.edu/irj/servlet/prt/portal/prtroot/pcd!3apor</a>									
<b>Any fund balance outside of the threshold needs to be incorporated into your rates.</b>									
Allowable 60 Day Working Capital Limit									
Annual Expenses	\$	146,033							
60 Day Working Capital Amount	\$	24,339							
Surplus or Deficit to Carryforward	\$	(4,133)							
<b>Surplus/(Deficit) to Carryforward</b>	<b>\$</b>	<b>(4,133)</b>							
<b>External User Surplus Applied to Rates</b>	<b>\$</b>	<b>2,064</b>	<b>(Enter the Amount of the External Surplus Calculated Below to</b>						
	<b>\$</b>	<b>(2,069)</b>							
		Internal Billable Units	1,475		Internal Billable Units	1,475			
		Federal Billable Units	375		Federal Billable Units	375			
		External Billable Units	-		External Billable Units	77			
		<b>Total Billable Hours</b>	<b>1,850</b>		<b>Total Billable Hours</b>	<b>1,850</b>			
<b>Surplus/(Deficit) per Unit</b>	<b>Surplus per Unit</b>	<b>\$</b>	<b>-</b>		<b>Deficit per Unit</b>	<b>\$</b>	<b>(1.12)</b>		
		*Rates must be reduced by Surplus*			*Rates must include the deficit*				
<b>Surplus from External Users can be used to subsidize internal rates or cover carryforward deficits</b>									
			<b>Service 1</b>	<b>Service 2</b>	<b>Service 3</b>	<b>Service 4</b>			
	Total Costs (From Cover Sheet)	\$	68.63	\$	74.06	\$	90.04	\$	57.20
	Projected Billable Units for External Users		35		22		5		15
	Total Projected Cost for External Users	\$	2,402	\$	1,629	\$	450	\$	858
	Projected Recovery From External Users		3,077		2,404		769		1,154
	Surplus From External Sources	\$	675	\$	774	\$	319	\$	296
	Total Surplus	\$	<b>2,064</b>						
Enter amount of surplus to apply to internal rates above									
Enter Amount of External Surplus that is expected to be Transferred Out of the Center:						\$	-		
*Service centers that receive a subsidy are not permitted to transfer surplus from external sources out of the service center*									

8. **Questionnaire Subsidy tab** — Subsidies are recorded and allocated to the appropriate rates on this tab.

<b>Subsidy for Rates</b>				
<b>Provide the Source of the Projected Subsidy:</b>				
The source of the subsidy will be the departmental overhead fund (D7xxxxx).				
Amount of Projected Subsidy:	\$	20,000		
<b>Use this Section if Applying the Subsidy equally to all rates</b>				
	Hourly Rates			
Billable Units				
Internal (Non-Federal)		1,475		
Federal		375		
External		77		
Total Billable Units		1,927		
Subsidy per Unit (Excluding External)	\$	10.81	If subsidizing external rates use the	
Subsidy per Unit (All Users)	\$	10.38	subsidy amount for All Users	
<b>Subsidy Applied Per Rate (use this section if applying different subsidy amounts to rates)</b>				
Subsidy per Rate		<b>Service 1</b>	<b>Service 2</b>	<b>Service 3</b>
Calculated Rate	\$	138.38	\$ 149.24	\$ 181.19
Subsidy per Rate				
Billable Units		600	300	100
Projected Subsidy	\$	-	\$ -	\$ -