New Center Rate Worksheet Instructions

The Center rate calculation must be based on and designed to recover the Federal Allowable operating cost for the goods and services being provided. The following information will assist in your calculations, as well as the final review and decision by GCA.

***Please note that the information and projections provided will be used in accessing the viability of the center, and could result in a denial of establishment or adjusted accordingly based on any discrepancies or unallowables identified***

General Info tab: Supply information as it applies to your Center(s). Please be sure to complete all of the fields.

In the “Center Description/Site” area, please provide a detail description of the services to be provided by the Center; if a site has already been developed noting said information feel free to provide such for further assessment.

The remaining tabs of the worksheet will provide the necessary information for the rate calculation.

Salaries tab: Use to provide the salaries/wages and applicable University Fringe Benefits for all direct personnel. Columns A&B, enter the employees name and title; column C, current fiscal year fringe and benefit percentage; column D, the percentage of (FTE) time that you anticipate the employee contributing to the center; column E, the employee current fiscal year total base salary; column F will auto-calculate, multiplying the center percentage of FTE by the base and then by the fringe benefit rate—To generate the total salary for the center. If the center is proposing providing multiple services at varying rates, please use the “% FTE for each rate” fields to distribute the total center salary accordingly. Please provide justification in support of the allocation method for varying rates. Add additional rows and columns to reflect personnel or rates in excess of the fields provided.

Administrative and Clerical staff can potentially be included in the rate calculation, and charged to the center operating account; however they will need to meet the criteria of an unlike circumstance, and are not included in the F&A rate proposal (a detailed description of the relevant duties and justification will be required for further assessment).

Equipment tab: Used to include the amortization of Center capital equipment cost individually (greater than) >$5,000. If the Center already possesses equipment meeting these requirements, the information requested in the first two columns of the Depreciation schedule is required. The completion of as much of the remaining information would be beneficial (such can be retrieved for the F&A records). Note that the “Depr Start Date” is usually the 1st day of the next calendars quarter after acquisition date. The “Depr End Date” is the depreciation start date plus Useful Life (years). The residual value is the acquisition value minus the useful life (years); and the “Depr in Proposal” is the acquisition cost minus the residual value, divided by the useful life (years). The calculated “Depr in Proposal” will be checked against the Institutions Property Control records, and adjusted accordingly if need be.

Projected tab: Used to reflect the Centers projected Federally Allowable operating cost (to be reflected in a forthcoming established operating account) for the upcoming fiscal year.
“Salaries and Fringe Benefits” will be auto-populated from the information entered into the “Salaries” tab.

“Services” would include cost like maintenance, repairs, subcontracts, etc. In column A, enter the expense general description (i.e. maintenance) and the projected total fiscal year cost in column B. If the center proposes having multiple services with varying rates, you would then use the “Allocation %” fields (row 15, columns D-F) to reflect the proposed allocation of cost between such.

“Supplies” would include cost like all supplies and materials directly related to the good or service to be provided. Enter the cost the same as you did the services (description column A, total cost column B); with the necessary allocation of such (via row 22, columns D-F) if the center proposes vary services with varying rates.

“Equipment” would include any equipment cost that is individually (less than) <$5,000. These costs are recognized as an expense due to the fact that they are below the University’s capitalization threshold. You would enter them as you did the prior sections (general description column A, total FY cost column B); and allocate accordingly if applicable. The “Equipment Amortization” cost will auto-populate from the information in the “Equipment tab”; you will only need to allocate such accordingly if applicable.

“Overhead Cost” would include other directly related cost such as Administrative & Clerical salaries, travel, and communication expenses. The “Admin & Clerical Salaries” will auto-populate from the information provided on the “salaries” tab; any additional expenses will need to be reflected as those in the prior sections, and allocated accordingly if applicable.

“Subsidy” is where you would reduce the proposed operating cost for any funding (i.e. department, grant) anticipated in the upcoming fiscal year; and allocate such accordingly if applicable.

***The subtotal and total rows for all of these sections will auto-calculate. Feel free to add additional rows and columns if need be; be sure to adjust the subtotal and total fields to include such***

“# of Annual Units” would reflect the anticipated output for the upcoming year. This represents the volume of work projected to be performed in a FY, based on a reasonable measurement (i.e. units, hours (labor/machine), etc.). Again, if the center proposes varying services with varying rates the necessary allocation needs to be applied. Upon the entry of such, the “Projected” rate per unit will auto-calculate; which originates from the projected expenses divided by the projected output (base).

The Center rate is the cost per unit of output used to recover allowable expenses; therefore it derives from the above information via the following equation:

\[ \text{Center rate} = \frac{\text{Budgeted Expenses}}{\text{Budget Usage Base}} \]

For example: a computer costs approximately $100,000 per year to operate (total allowable costs) and has an estimated activity level of 1500 hours per year. This would result in a rate of $100,000/1500 hours = $66.67 per hour. If a researcher were to use the computer for four hours in support of a sponsored project, the award/individual should be charged/billed 4 x $66.67 = $266.68

***Additional information on rate components and development can be found in the appendix provided in the “Forms” section of the relevant policy***