Service Centers Summary
Items to Remember:

• Service center rates to be charged to federal programs must be developed in compliance with A-21.
  o Must represent actual cost.
• If a federal subsidy is received for a specific service center, costs must be reduced accordingly when developing federal rate.
• The reduced billing rate must be applied to all federal programs, not just those relating to granting agency.
• Different rates may be developed for federal programs and non-federal programs.
  o The federal rate will normally be the lower rate.
• If some users are billed using a lower rate than the federal rate, must impute the revenue.
  o Government should not share in loss due to reduced or non-billing of rates.
• The government will normally allow a 60 day operating reserve.
• Only equipment depreciation is used in the rate calculation; not the actual cost of the equipment.
• Equipment should be flagged in the asset management system to assure depreciation expense is not duplicated.
• Equipment depreciation recovered via the billing rate can be set aside into a reserve for future equipment purchases.
• Non-federal billing rates can include cost for an equipment replacement reserve.
• Under/over recovery should be recognized in future billing rates; however, not the losses.
• Submit billing rates proposal as required by the federal government and CAS DS-2.