

## **Service Centers Summary**

### **Items to Remember:**

- Service center rates to be charged to federal programs must be developed in compliance with A-21.
  - 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.
  - 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.
  - 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.