

SERVICE/RECHARGE CENTER RATE CALCULATION FORMS INSTRUCTION

General Information (page 1) - Supply information as it applies to your Service/Recharge center(s). Please answer all questions.

Rate calculation must be based on and designed to recover the Federal Allowable operating costs for the goods and services being provided. Federal Allowable Operating Cost include:

- Salaries and Wages and applicable University Fringe Benefit Rates

Please use the format labeled **Salaries** (page 2) to submit this data. Direct Salaries, columns 1 & 2, enter employee's name and title; column 3, fringe and benefit percentage; column 4, the percentage of (FTE) time that the employee works for the center; column 5, the total base salary; column 6, multiply center percentage of FTE times the base salary times the fringe benefit rate—*This total is the salary for the center*. If the GCA web site format is used, the total(s) will be transferred to the Summary Sheet under the heading Direct Costs.

Administration and Clerical Salaries (page 2) – Administrative and Clerical staff in direct support or management of a service center should be included in the rate calculation and charged to the service center operating account. The columns of this format are the same as the ones in the Salary format above. Administrative Costs benefiting more than one service center should be allocated to the benefiting service on a reasonable basis. If the GCA web site format is used, the total(s) will be transferred to the Summary Sheet (page 4) under the heading Overhead Costs.

Services and Supplies (page 4) are posted on the Summary Sheet directly by total cost and allocated at the percentage rate for each rate calculation providing there are more than one service or goods provided.

Equipment (page 4) cost individually that is (less than) <\$5000 is posted on the Summary Sheet at its total cost. If the center has multiple rates, the total for each piece of equipment is allocated at the percentage rate for each rate calculation. These equipment costs are recognized as expenses due to the fact that they are below the university's capitalization threshold.

Equipment Amortization (page 3) for equipment cost individually that is (greater than) >\$5000. is posted to the Depreciation Schedule fulfilling each column requirement. All columns must be filled in. This information can be obtained from the F&A Records. Note that the Depreciation Start Date is usually the 1st day of the next calendar's quarter after the acquisition date. The Depreciation End Date is the depreciation start date plus Useful Life (Years). Residual Value is the acquisition value minus the useful life (years). The final column - Depreciation in Proposal is the acquisition cost minus the residual value, then the remainder is divided by the useful life (years). If the GCA web site form is used, adjustments must be made in each cell for less than a full year and the total of the depreciation to be used in the proposal will transfer to the Summary Sheet (page4).

Prior Year Balance - Add Deficits, Subtract Surplus (page 4). At the end of the operating fiscal year, calculate the actual rate for the service. Then take the billing rate used for the FY minus the actual rate multiplied by the actual number of units (What the center established as their **Base**) of output for the FY. The negative result represents an Over-Recovery and should reduce expenses for the next fiscal year. A positive result represents an Under-Recovery and should increase expenses for the next fiscal year. Make the appropriate entry on the Summary Sheet (page 4).

Type of Unit (page 4) – Your established **Base**.

Of Annual Units (page 4) – Units output for the operating year. In calculating the actual rate this number represents what was produced in the FY. In calculating the billing rate for the next period you may apply a reasonable escalation to the actual base or reduce the actual base. Justification should be provided, if a base other than the previous year's actual is used.

Rate Per Unit (page 4) – Actual or Budgeted expenses divided by the actual or projected output units (Base).

What May Be Included In a Rate Calculation:

Salaries and wages, and applicable university benefit rates;
Supplies and Materials;
Subcontracts and outside services;
Equipment lease or rental;
External interest expense;
Prior year operating deficit (increase to user fee);
Prior year operating surplus (decrease to user fee);
Other directly related expenses (e.g. travel, communication);
Depreciation related to capital assets not purchased with federal funds.

What Must Not Be Included In a Rate Calculation:

Building Depreciation;
Facilities expense (utilities, maintenance and custodial cost paid by the University and not recorded in the recharge operation or service facility account);
University and departmental overhead costs that are not charged to the recharge operation or service facility account;
Purchase price or value of equipment >\$5000 (this should be depreciated).

Costs That Must Not Be In Rate Calculation Because They Are Federal Unallowable:

Entertainment;
Bad Debt;
Advertising;
Public Relations;
Alcoholic beverages;
Contributions and donations.