

***SERVICE AND
RECHARGE POLICY***

Policy 4.11

Responsible
Executive: Lois
Becker

Originally Issued:
December, 18, 2013

Revised: October
13, 2017

Effective date:

Implementation

College-departmental unit level responsibilities include:

- **Initiate establishment of new Service Centers with school-departmental unit financial officers**

- Assist with coordination and clarification of policy
- Maintain policy

Procedures

Refer to the Service Center Procedures Manual for additional operational and financial information.

Financial Considerations:

Components of Costs in Rate

All costs, subsidies, and revenue relating to a service center must be accounted for within the general ledger.

Separate Accountingsisate

policy, but is not required by Circular A-21. Rates must not differentiate among internal users. The use of special rates, such as for high volume work or off hour usage, is allowed, but the special rates must be equally available to all users. External users, however, may be charged a higher rate that includes the facilities and administrative costs of the Service Center. Funds generated by incremental charges to external customers must be used exclusively to support the Service Center and the school's F&A costs.

Subsidized Users and Subsidies

Mid-year Review

The local level managing units are responsible for evaluating their financial performance throughout the year; at least one interim rate review should be performed during each fiscal year. Rates may be adjusted at mid-year or at any other points during the year if the Service Center determines that they will be out of compliance with respect to break-even without a rate adjustment. Proper documentation is required for rate adjustments.

Transfers

Service Centers may not transfer surplus balances. Balances must be carried forward in the Service Center's operating account and included in calculating subsequent years' rates and break-even position. The only exceptions are incremental charges to external customers which can be transferred to a Service Center Support Fund and used to offset future expenses, purchase equipment or cover deficits.

Year-end Rate Performance Review

At fiscal year end, all Service Centers are required to submit the actual financial results to Finance for review.

Record Retention

Service Centers must retain financial documentation for a minimum of four years before record disposal.

Definitions

Service Centers - Units within Roosevelt departments or centers that charge for goods or services that directly support the research or mission of the University and recover costs through charges to internal and external users.

Central Service Units - Separate operating units that are generally not part provide services to the entire University community. Examples of central service units include University Dining Services. Central service units are not covered under this policy.

Specialized Service Centers "SSC" - A category of Service Centers with annual operating expenses of more than \$1 million or that provide highly complex or specialized services to a select group of users. The billing rates for these centers are based on their direct operating costs and an allocated portion of F&A costs. If the F&A is not included in the service center rates these amounts must be covered by other school/tub funds and excluded from the federal F&A calculations. SCCs are called Specialized Service Facilities "SSF" in A21.

Subsidy – Financial support for a service center that is not generated by the sales of goods or services.

Subsidy (User) – Funds provided to a service center to cover a deficit when a certain group of users is charged a rate that is lower than the full rate charged to unsubsidized users. For example, subsidies may be provided by a

