Service Center Rate Review Instructions

It is necessary for the University of Florida to periodically review the rates of qualifying Service Centers to determine if they meet the federal cost principles stipulated by OMB Uniform Guidance and University policies. These instructions discuss the steps that must be completed to calculate the Service Center’s rates.

Please respond electronically using the Excel workbook. Note that each worksheet column heading is color coded either orange for information that needs to be supplied by the department, or blue for information/calculations provided automatically. When you have completed the workbook, forward it to General Accounting for review.

Each tab in the workbook asks for information that is necessary to calculate the Service Center rates. Please include any additional information you feel may be necessary to complete your Service Center rate review. For the purpose of meeting audit guidelines and to correctly review the Service Center rate calculations, all figures presented must be supported by documentation. For several of the sections below, examples have been provided to better illustrate the type and format of information being requested. If you have any questions concerning the details of your submission, please contact Jeremiah Carlson (jccarlson@ufl.edu) or Ricabuena Gagne (bea1127@ufl.edu) for assistance.

SHEET 1a – Administrative Information

Please enter the requested information on this page in order to populate the contact information on the rest of the workbook pages:

- Service Center Name
- Contact Name
- Phone
- Address
- E-mail
- Website (for posted rates)

SHEET 1b – Operating Information

These questions are intended to help us understand the nature and scope of your business activities, and how they are reported in PeopleSoft.
SHEET 2–Revenue

List all revenues and associated services provided:

1. Col. A - **Determine number of service lines needed** (based on the number of products or services which significantly differ in terms of cost or utilization).

2. Col. B - **List each service line separately** (i.e., each good or service provided to your users)

3. **Column C - Specify the type of unit of measurement** used to determine each rate. Please provide the most appropriate unit of measurement used to determine the service line user rate (e.g., hour, unit, sample, process, etc.). The unit of measurement used to bill customers should be consistent with how costs are incurred or how they are accounted for.

4. **Columns D & G - Enter the internal and external rates charged for each service line** (normally, a service line will have only one of each rate type).

5. **Columns E & H - Specify the total number of internal and external units sold** for each service line. For those services that do not currently have a rate (i.e., the service is provided at no charge or a rate has not yet been calculated), please enter the most appropriate unit of measurement (e.g., hours, units, etc.).

<table>
<thead>
<tr>
<th>Service Line</th>
<th>Type of Unit</th>
<th>Internal / External Rate (If no charge, indicate)</th>
<th>Internal / External Number of Units Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>300 NMR Spectroscopy</td>
<td>hour</td>
<td>$15</td>
<td>1,000 hrs.</td>
</tr>
<tr>
<td>Computer Core Support</td>
<td>hour</td>
<td>None</td>
<td>200 hrs.</td>
</tr>
</tbody>
</table>

**Example:**

When you have completed the requested information, the spreadsheet will calculate the revenue generated by the Service Center.

Based on inputs above, the spreadsheet calculates by Service Line the Total Internal Revenue and Total External Revenue (Columns F and I) as well as Total All Revenues (Column J). At the bottom of the spreadsheet in column J, the Total Revenue for all Service Lines is calculated. Please add the Beginning Balance for Accounts Receivable and subtract the ending balance Account Receivable and compare to Total Revenue per PeopleSoft.

Please explain any variance in the section provided at the bottom of the page.
There are two tabs here, one for Service Center chartfield (CF) strings (3a) and the second for other cost centers/CF which also support the Service Center (3b).

**Provide a list of PeopleSoft chartfields and "other support" chartfields:** List all cost centers/CF (regardless of funding source) that have expense and activity associated with each service line. This may also include sources such as the UF Foundation and UF Research Foundation that record expense on behalf of the Service Center. For partial-use chartfields, please be prepared to provide documentation of the individual transactions supporting the Service Center.

Sheet 3a and 3b should include the total fiscal year costs associated with the Service Center. The information used to calculate the billing rate is provided on a cash basis. This information must be reconciled to the PeopleSoft Departmental Ledger and to the department’s Financial Statements for the fiscal year, if required. Financial Statements are prepared on an accrual basis. Include any worksheets prepared by your office in support of these reconciliations.

- Allocate operating expenses (non-salary and non-capital expenses) by each service line, regardless of funding source (e.g., Auxiliary, General Revenue, Contracts & Grants, Incidental Trust Fund, University of Florida Foundation, UF Research Foundation).

- Calculate Cost of Goods Sold (if applicable in a re-sale of merchandise operation) as follows:

  - Beginning Inventory
  - +Purchases
  - -Ending Inventory
  - =Cost of Goods Sold

The allocation method used should be noted on the bottom of the spreadsheet.

**SHEET 4a – Salary Expenses Paid by Service Center Chartfields**

Provide the NAME, Employee Position Title, Payroll Cost Distribution Chartfield, Salaries and Benefits Paid by the Service Center, and % of effort towards each service line for all employees that contributed a significant amount of effort, including those who provide oversight and supervision. Use your best reasonable estimate. If the individual is paid from multiple Payroll Cost Distribution chartfields, list the individual separately for each source chartfield.

*Note: The responses to this workbook should correlate to those in the Effort Tracking System (Aux Effort) and OIA (Other Institutional Activity) collected each academic term. Please notify General Accounting if this is not the case.*
Example:

<table>
<thead>
<tr>
<th>Col A</th>
<th>Col B</th>
<th>Col C</th>
<th>Col D</th>
<th>Col E+</th>
<th>Col F+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Name</td>
<td>Employee Position Title</td>
<td>Payroll Cost Distribution Chartfield</td>
<td>Actual Amount Paid</td>
<td>% of Effort Spent Towards Service Center</td>
<td>Sal/Ben Towards Svc Ctr (Col D x E)</td>
</tr>
<tr>
<td>Brown, Charlie</td>
<td>Director</td>
<td>29010100-101-1100</td>
<td>$21,345</td>
<td>100%</td>
<td>$21,345</td>
</tr>
</tbody>
</table>

The allocation method used should be noted on the bottom of the spreadsheet.

SHEET 4b – Salary Expenses Paid by Other Chartfields

Allocate the salary benefiting the Service Center by service line for each employee, regardless of funding source, including those who provide oversight and supervision. Use written records if available or interviews with the employees. Reasonable estimates based on interviews and experiences are acceptable if documentation is not available. The allocation method used should be noted on the bottom of the spreadsheet.

SHEET 5a – Equipment Depreciation

List all Service Center equipment and Asset ID/Tag numbers that correspond with UF Property Services records. Use your best reasonable utilization estimate for any equipment that is shared between service lines and/or non-service center type activities.

Note: Only items purchased on-or-after July 1, 1993 and purchased from accounts with non-sponsored agreement (non-contract & grant) chartfields are cost recoverable through depreciation expense.

Enter the amounts for the annual depreciation for each piece of equipment. Accumulated Depreciation will be included in the calculation to determine the allowable Cash Balance for the Service Center.

Example:

<table>
<thead>
<tr>
<th>Col A</th>
<th>Col B</th>
<th>Col C</th>
<th>Col D</th>
<th>Col E</th>
<th>Col F</th>
<th>Col G</th>
<th>Col H</th>
<th>Col I</th>
<th>Col J</th>
<th>Col K</th>
<th>Col L</th>
<th>Col M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>Dept ID</td>
<td>Asset ID/Tag Number</td>
<td>Description</td>
<td>FY ACQ</td>
<td>Account</td>
<td>Location</td>
<td>Total Cost</td>
<td>Fed/allowance costs</td>
<td>Total Allowable Costs</td>
<td>Depreciation Allowed this FY</td>
<td>% of Usage for Srv Ctr Activity</td>
<td>Svc Ctr Depreciation</td>
</tr>
<tr>
<td>140</td>
<td>12345678</td>
<td>AA127350</td>
<td>Computer, Dell</td>
<td>2002/06/30</td>
<td>183000</td>
<td>1.5 0210</td>
<td>1500</td>
<td>500</td>
<td>1000</td>
<td>143</td>
<td>100%</td>
<td>143</td>
</tr>
</tbody>
</table>

Location of the Equipment Report
myUFL/Main Menu/Asset Management/MyAssets
**SHEET 5b – Equipment Allocation**

*Allocate the equipment listed on Tab 5a among the various service lines.* Use your best estimate to allocate use of equipment between service lines. If you have a formal process that shows actual utilization of equipment between service lines, this would be the preferential form of allocation.

*Example:*

<table>
<thead>
<tr>
<th>Col A</th>
<th>Col B</th>
<th>Col C</th>
<th>Col D</th>
<th>Col E</th>
<th>Col F</th>
<th>Col H</th>
<th>Col J</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>Dept ID</td>
<td>Equipment Description</td>
<td>Asset ID/Tag Number</td>
<td>Amount of Depr Exp Applied to Svc Ctr</td>
<td>% of Use Service Line 1</td>
<td>% of Use Service Line 2</td>
<td>% of Use Service Line 3</td>
</tr>
<tr>
<td>149</td>
<td>12345678</td>
<td>Computer</td>
<td>AA127350</td>
<td>100</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**SHEET 6 – Space List**

Provide fiscal year space utilization, including all building/floor/room numbers and percentage of use by the Service Center.

Note: The response to this tab should match those in the Space Inventory and Allocation Survey submitted for the same fiscal year (Aux/OIA).

*Example:*

<table>
<thead>
<tr>
<th>Building Number</th>
<th>Building Name</th>
<th>Room Number</th>
<th>% of Use in Service Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>0205</td>
<td>Dental Science Bldg</td>
<td>05 0510</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Location of information about the Space Allocation Survey**

http://www.fa.ufl.edu/departments/cost-analysis/

**SHEET 7 - Unallowable Expenditures**

The OMB Uniform Guidance deems certain activities and expenditures unallowable. Each Service Center is required to list unallowable costs so that these costs can be removed from the rate calculations. If your Service Center has not incurred any of these unallowable costs, check the box for “None of these costs occurred” at the top of the page.

The following expenditures are examples of what is considered unallowable according to OMB Uniform Guidance:

- Advertising
- Alumni Costs
- Commencement/Convocation Costs
- Contingency Reserve Costs
- Donations or Contributions
• Entertainment (including meals, alcoholic beverages, social activities, tickets to shows or sports events, rental, etc.)
• Fines and Penalties
• Fund Raising
• Housing/Housing Allowances/Personal Living expenses
• Interest
• Investment Counsel
• Legal Costs
• Lobbying
• Membership to Community or Civic Organizations
• Membership to Social or Dining Clubs
• Personal use of UF or State Owned Vehicle
• Personal use of Goods or Services
• Public Relations
• Student Publications, Intramural Activities, Student Clubs, etc.
• Travel and Subsistence Costs of Trustees

Note: Some of these expenditures are mapped directly to PeopleSoft accounts; however, several do not and require discretion in classifying the nature of a particular expenditure.

**SHEET 8 – Total Costs**

This worksheet fills in automatically from the other worksheets within the workbook.

This worksheet can help you identify the fiscal year Service Center Fund Balance surplus or deficit by each service line. Treatment of Fund Balance surplus or deficit (90 days expenses, accumulated depreciation and profits on external customer sales) is as follows:

**Surpluses** are used to reduce recoverable expenses used to calculate the user rate.

**Deficits** are used to increase recoverable expenses used to calculate the user rate, with the overall objective to break-even over time (3-5 years).

**Additional Note:**

Special consideration should be given to allowable surpluses/deficits attributable to external customers. This sheet calculates rates per service line by allocating all Operating Expense, Salary, OPS and Depreciation (less interest and unallowable costs, and adjustments for surplus/deficit) previously allocated to each service line, divided by the projected annual utilization.

**SHEET 9 - Schedule of Transfers In/Out**
This sheet is used to record Service Center transfers in-or-out (with the exception of accounts 813xxx, 819000 and 819001, which should be reported on Tab 3a). Please record the transfers on the appropriate GL line of the worksheet. For large transfers (> $5,000 or 10% of revenue, whichever is larger), please provide a brief explanation in the space provided.

**SHEET 10 – Profit/Loss Calculation**

Most of this worksheet fills in automatically from the information entered in the previous tabs. Please calculate and enter your Profit from External Sales. This will help us to better evaluate the Service Center’s allowable cash balance.

The information provided and subsequent approvals of Service Center user rates are critical to the University’s compliance with OMB Uniform Guidance and the Cost Accounting Standards.