

UNIVERSITY OF SOUTH FLORIDA
SERVICE CENTER
MANUAL FOR RESEARCH ACTIVITIES

Guidelines and Procedures for Service Center Operations
Charging Federal and Non-Federal Sponsored Awards

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Sponsored Research

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University of South Florida Guidelines and Procedures for Service Center Operations Charged to Federal and Non-Federal Sponsored Awards

The guidelines included herein apply to service centers providing goods or services to recipients of federal and non-federal sponsored awards exclusively. These guidelines are not intended to apply to other revenue generating or cost transfer activities. Further, requirements for rate approval apply only to research related service center activity as discussed in this manual.

THE IMPORTANCE OF COMPLIANCE

As a recipient of public funding, the University of South Florida and its stakeholders must comply with federal mandates designed to ensure that proper stewardship is exercised in administering funding provided for research and experimental development (R&D). Non-compliance with these mandates has the potential to harm the University's reputation, can reflect negatively on future awards and/or could result in the loss of current and future funding.

2. and, they are not to discriminate between federal internal users and other internal users in prices charged for services. The concept of non-discrimination, however, does not preclude the institution from charging external users higher rates for services.

Cost Accounting Standards

Cost Accounting Standards (referred to as CAS) are a set of 19 standards and rules promulgated by the United States Government for use in determining costs on negotiated procurements. Research institutions must comply with the federal Cost Accounting Standards (CAS) 501, 502, 505, and 506. The four standards pertain to:

1. 501 - Consistency in Estimating, Accumulating, and Reporting Costs by Educational Institutions
Fundamental Requirement: An educational institution's practices used in estimating costs in pricing a proposal shall be consistent with the national

Billing Rate– A “charge rate” that is developed for a specific service center service(s) Billing rates are

1. Units which primarily serve members of the campus community as individuals (i.e. parking or housing services) and which are classified as auxiliary.
2. Units which provide a one-time distribution of expense. A recharge activity is an ongoing activity.

Services Highly specialized, typical, or necessary functions provided by a unit to other units, principally within USF. Often these services could not be purchased as effectively or efficiently from an entity external to the institution.

Service Center (SC) A broad term to define an institutional entity which provides a service to university users, and sometimes entities external to the University, for a fee. The rates charged by the centers are calculated so that the center recovers its costs. Service Centers include "specialized service facilities", "recharge centers" and "core facilities".

9. The service center must operate on a break-even basis.
10. Goods or services should not be provided to external consumers except where they are specialized or unique and their existence is primarily to support the academic mission of the University.

SERVICE CENTER ESTABLISHMENT PROCESS

Funding for start-up costs for any service center must be agreed to and provided prior to commencing the activity. This includes funds for required equipment and inventory, plus funds to finance receivables and losses during the early stages of operation. Ideally, start-up funds would be agreed to and provided by the department or college. This support indicates that the activity is important to the University's mission.

1. Requests for new accounts to include the service center business plan, service center budget and all attachments, will first be reviewed and approved by the responsible department.

Consult USF's Controller's Office's EBAP process at <http://www.usf.edu/business/finance/controller/documents/ebaprocesses.docx> (1c.1(s)3(n)-180 Tw-1o-8.5)

If approved and adequate funding for start-up costs

3. UsageLogor

Billing rates are based on budgeted projections of operating expenses, including a carryforward surplus/deficit, divided by projected levels of activity or revenue. The rate development worksheet template is available at [Service Center Billing Rate Calculation Template.xlsx](#)

Budgeted Expenses - Cumulative Carry Forward Surplus/Deficit / Budgeted/Projected Level of Sales of Goods/Service (Billing Unit)

Pricing that is contingent upon types or levels of usage should be developed for each discrete type of service.

1. Billing Units

A billing unit is the measurement used to identify the specific goods and/or services provided by a service center. New service centers billing rates will be based upon a reasonable projection of the number of billing units for the year.

The cost of materials and supplies needed to operate a service center should be included in the rate calculation and charged to the service center operation account.

If a service center sells products from an inventory or maintains an inventory of parts and supplies used in providing its services, inventory records must be maintained. A physical inventory should be taken at least annually at the end of the fiscal year and reconciled to

use of special rates, such as for high volume work, for less demanding non-scientific applications or for priority of delivery, are allowed; but must be equally available to all users of that special service.

The University may wish to provide a service to a particular internal group of users at a lower rate (e.g. computer

OfficeSupplies- ScienceRelated Phones- Line& EquipmentCharges	Allowable Allowableif benefitsServiceCenteractivity
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Commencing January 2, 2021, service centers designated as specialized service facilities (SSFs) and recharge centers (RCs) that provide goods or services to sponsored awards funded directly or indirectly by the federal government must have their rates approved annually by submitting an Annual Operating Report, Appendix D, to Sponsored Research Compliance Unit at

RECORDKEEPING & RETENTION

Service Centers must

RELATED POLICIES, PROCEDURES AND TOOLS

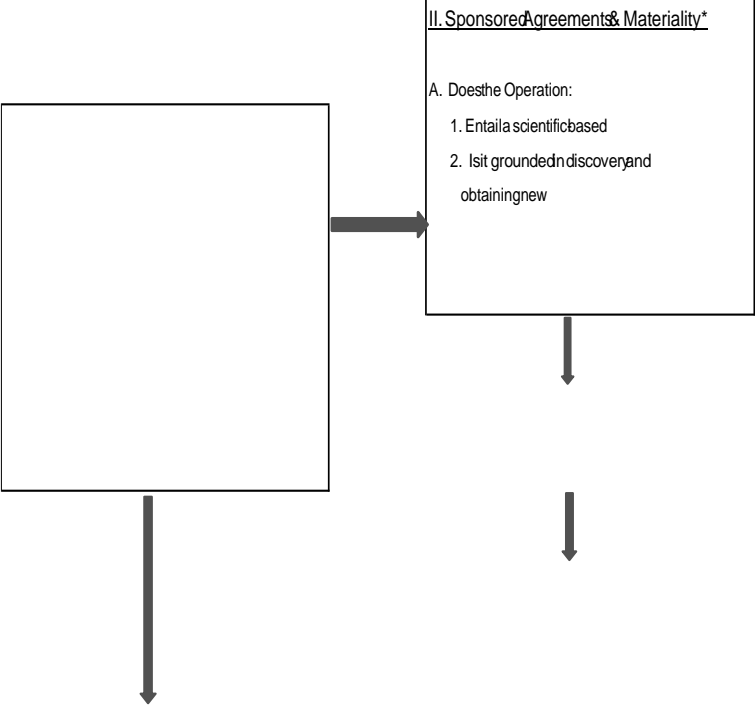
Code of Federal Regulations

2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

USF Auxiliary Guidelines

<https://www.usf.edu/business/finance/control/que/coniness>

ROLES AND



8. Are updates needed to the Service Center Business Plan for the next FY? N
If yes, please attach an updated Service Center Business Plan.

Service Center Operating Account Number:

Guarantee Account Number Signature

Contact Person:

Position/Title:

Email:

Address/Telephone:

Date Submitted:

Appendix D

Frequently Asked Questions

1. Are operating units allowed to bill different rates to different users?

A different rate may be established for external non-University users than the rate applied to internal users. Billing rates established for internal users must be consistently applied to all internal users. Billing rates established for external users must be applied to external users consistently. Please note that federal guidelines do not allow grants and contracts to be charged a higher rate than any other internal or external users.

2. How often should service center rates be reviewed by the operating unit?

Institutional policy and best practices dictate the call frequency.

2.