

University of Kentucky  
Service Centers and Recharge Operations

# Rate and Budget Development Template Training

Research Financial Services and University Budget Office



# Objectives for today

- REFRESHER – Rules and regulations overview for service and recharge centers.
- UPDATES – Reviewing updates made to the rate sheet based on your recommendations.
- BEST PRACTICES – Tips and tricks for completing the rate sheet.
- TIMELINE – Roadmap of important dates.
- Q&A – You've got questions, we've got answers.

# We don't want this to happen

## Service Center Charges Not Allowable – July 2012

- The animal facility computed rates by averaging rates that other universities charged
- The University did not perform biennial reviews to adjust the rates based on actual costs
- The telecommunications center did not charge based on actual usage of the service provided
- Furthermore, it charged administrative fees that were not part of the aggregate cost of providing the service
- Originally \$5.8 million findings, eventually reduced
- HHS OIG A-04-11-01095

# Overview

- The goal is to provide a framework for the fiscal operations of service centers and recharge operations in order to ensure compliance with Cost Accounting Standards (CAS), Uniform Guidance (2 CFR Part 200), and University Business Procedures (Appendix IV BPM).
- These guidelines help us determine what can be included in the service center rate calculation, for example, expenses must be:
  - Consistent- the cost must be treated the same in any like circumstance
  - Allocable- assignable to the specific activity
  - Reasonable- ordinary and necessary for operation
  - Allowable- must be necessary and reasonable with consistent treatment

# Federal Regulations – Uniform Guidance - 2CFR200

- Subpart E – Cost Principles (200.468 Specialized Service Facilities)
  - Costs of such services, when material, must be charged directly to applicable awards based on actual usage
  - Does not discriminate between activities under Federal awards and other activities
  - Is designed to recover only the aggregate costs of the services

# Where is the Rate Sheet Template?

- You can find the rate sheet template at the RFS website.
- Link:  
<https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/Service%20Center%20Rate%20Sheet%20-%20FYE%202022.xlsm>

Service Center Information



## Service Centers

Service Centers and Recharge Operations Policy

Service Center & Recharge Operations Contact List FY20

NEW- Service Center Rate Sheet Template and Instructions



UK Revenue questionnaire template

# We received a few suggestions last year...



Just kidding! We heard them and implemented those we could.

# What Has Changed

- Updated Tab 2 (Fixed Assets) to remove depreciation from assets with federal funds.
  - EBARS cannot distinguish the two, and we cannot include depreciation in the rates if federal funds were used. We've setup crosschecks in the sheet so you don't have to worry about finding and removing assets if you copy and paste from EBARS.
- Removed "Describe The Nature of the Rate" from tab 3. This information is given on the first screen.
- Increased number of available rates to 75.
- Updated header labeling for easier tracking during expense allocations.
- Updated proposed rate section to alert if internal rates are higher than calculated rates.



# Examples

Internal rate higher than calculated rate.

Volume (Projections)			
Volume Sold at Internal Rates (UK Customers)			1,000
Volume Sold at External Rates (External Customers)			-
Total Volume			1,000
Rate Calculations (Do not update - Auto Calculated Field)			
Breakeven Internal Rate (Calculated)		\$	35.00
External Rate (Calculated + 53% Overhead Recovery included)		\$	53.55
Proposed Rates - If Different than Calculated Rate (Edit as needed)			
Proposed Internal Rate		\$	35.01
Proposed External Rate		\$	-
			Error

No federal funds included

Useful Life	Fed Paid Amount (Amount Purchased with Grant)	Adjustments to Depreciation Costs (Ex. Trade-In on Vehicles)	Net Cost (A)	Percentage Used by Service Center (B)	Net Cost to Depreciate (C)
10	-	-	100,000.00	100.00%	100,000.00

Federal funds included

Useful Life	Fed Paid Amount (Amount Purchased with Grant)	Adjustments to Depreciation Costs (Ex. Trade-In on Vehicles)	Net Cost (A)	Percentage Used by Service Center (B)	Net Cost to Depreciate (C)
10	1.00	-	99,999.00	100.00%	-

# Before we get started with rates...

- Couple of items to remember
  - Your proposed rate can be lower than the calculated rate.
  - Don't adjust your expenses and usage to meet a dollar amount you want to charge.
    - The goal of the service centers is to know real data. If your end result is a deficit, use that as a monitoring tool or look for areas that can be adjusted.
  - Use the RFS website. There's a ton of useful info there to help you succeed.
  - The goal is for expenses and revenues to break even.

# How to get Started with Calculating Rates

```
graph LR; A[Develop Business Plan] --> B[Measure Usage/Volume]; B --> C[Determine Personnel/Operating Costs]; C --> D[Allocate Costs]; D --> E[Calculate the Rate];
```

Develop  
Business  
Plan

Measure  
Usage/  
Volume

Determine  
Personnel/  
Operating  
Costs

Allocate  
Costs

Calculate the  
Rate

# Calculating Rates



Develop a  
Business  
Plan

Internal User:

- 1) Billing to UK  
Account #
- 2) UK Unit

External User:

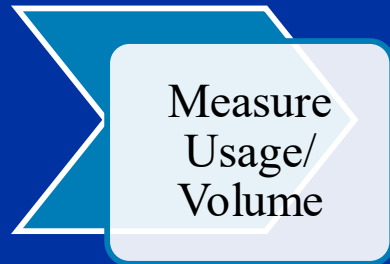
- 1) No UK Acct #
- 2) Industry
- 3) Personal Users

- Multiple Areas will be involved in establishing a New Service Center
  - Start planning several months ahead

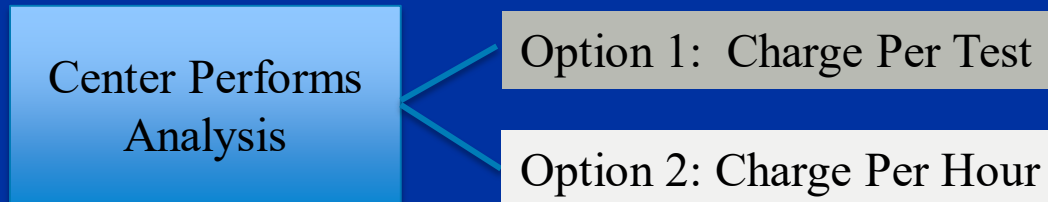
## Business Plan –

- Determine what Service you will Provide
- Who is your Customer Base
  - Who will purchase the Service/Product
  - Estimate Demand/Volume
  - Are they Primarily Internal Users or External Users?
- How do you plan to break-even?
- Does this business model fit with the mission of the Department, College, and University?

# Calculating Rates



- Goal is to determine a measurable unit that allocates costs equitably among all users



# More on Usage/Volume

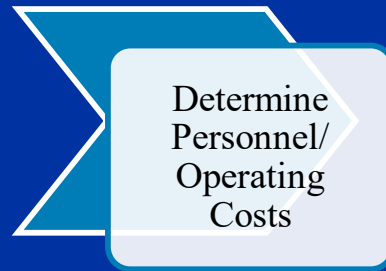
## Volume Projection of Units

- Measurable unit that you will provide to your customer
  - Example 1: 1 hour of microscope time
  - Example 2: 1 fat hairy rat
  - Example 3: 1 Visa preparation fee
- Estimated TOTAL units for each service for the fiscal year will be needed
  - Should be able to back this up with actual data/usage from prior years.

# Best Practices for Measuring Usage

- Keep a “usage log” to track billable units
- Usage logs should track
  - Account/Project number or user
  - Service performed or product sold
  - Rate charged
  - Date of Service/Sale
- Usage Logs are also extremely beneficial with billing reconciliations and providing justification for billables if needed.

# Calculating Rates



- BUILD A BUDGET – DIRECT COSTS
  - Personnel Cost - Who is working on the product/service and how much
  - Operating Costs – Non-labor costs needed to provide the product or service
  - Depreciation (if allowable) - Depreciation of equipment used to provide the product or service
  - Carryforward – Loss/Surplus balance from previous year



# Unallowable Costs

- There are several costs that are unallowable for inclusion in the rates (per service center policy in Appendix 4 of the BPM). Such items include but are not limited to:
  - Alcoholic Beverages
  - Bad Debts
  - Commencement or Convocation Costs
  - Contingency Provisions
  - Contributions, donations or remembrances
  - Entertainment
  - Fines and Penalties
  - Goods or services for personal use of employees
  - Personal use of an institution furnished vehicle
  - Public Relations
  - Student Activity Costs
  - Travel-First Class

# Unallowable Costs

- During FY 2017, RFS reviewed expenses that were used in rate calculations.
- It was determined that the CNS Converged Fee could not be included in the rate calculation for any service centers that charge grants.
  - The fee cannot be used in the rate calculation as it is un-allocable to a person.
  - This fee should not post in the service center cost center and should instead post to a departmental cost center.
- All affected service centers were contacted during the FY 2018 renewal rate review.

# Questionable Costs

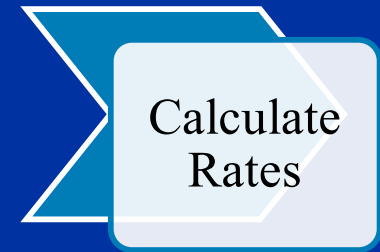
- There are some expenses that are questionable by nature and you should seek guidance from RFS before including in the rate development. Such expenses include but are not limited to:
  - Advertising
  - Travel/Foreign Travel
  - Student Tuition/Scholarships
  - Fundraising/Investment costs
  - Housing or personal living expenses
  - Taxes
  - Any other cost that may be considered an Indirect Cost
- RFS does a quarterly review of actual postings to these categories, you may be asked for documentation and/or to move off the expense via JV.

# Calculating Rates

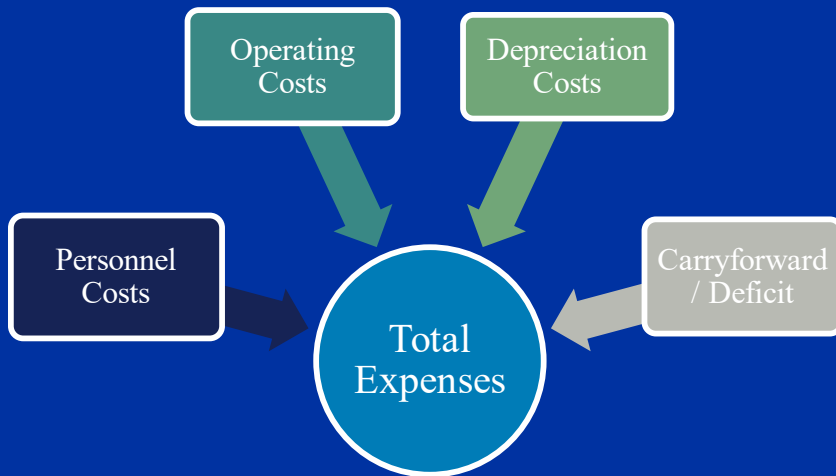


- Allocate Costs identified to individual services or products
  - Should reflect the actual work being done
  - Time-Analysis is an effective tool for allocating labor
- One product or service may not subsidize another

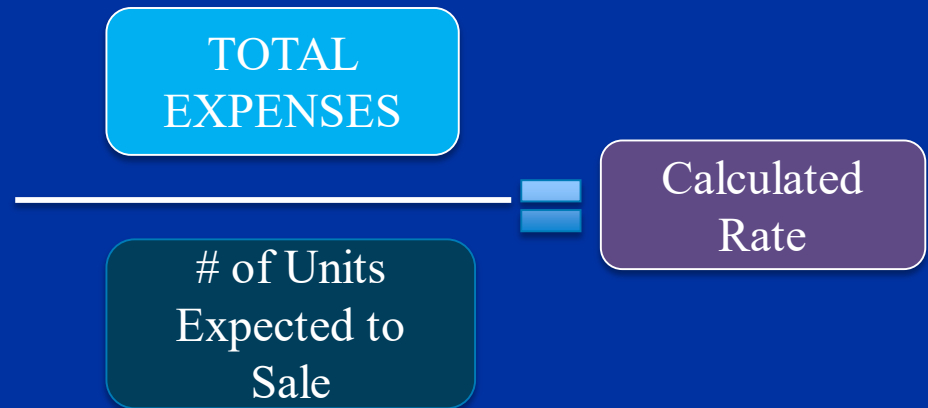
# Calculating Rates



## Step 1: Total Expense



## Step 2: Calculate Rate



# Calculated vs. Proposed Rates

- RFS is going to review your “Calculated Rate(s)” to determine if it is allocable, reasonable and captures the true cost of doing business.
- Proposed INTERNAL rate must be = or < calculated rate
- Proposed EXTERNAL rate can include (and we encourage) the current Indirect Rate.

## Things to Consider:

- If you charge < calculated rate you may need a subsidy to make up the difference.
- If you don't include Indirect Rate in External rate, you are not recouping your total “cost of business”.

# When to Submit Rate Sheet Template

- Rate Sheets are reviewed at least Annually and will be due this year **MAY 31, 2021.**
  - Will need to do an estimate in Early Spring, to generate Budget for entry into PBF.
- Mid-Year Adjustments are due by 12/31 of current year and will be reviewed and evaluated for potential approval in January.
- Priority will be given for complete packets received by the deadline in the RFS office.
- A complete submission should include:
  - Completed Rate Sheet Template - Both Signed and Excel Forms
  - Any additional backup documentation to support rate calculation
  - Location of the activity (including building name and room numbers where activities take place)
  - For NEW Service Centers also include:
    - Business Plan
    - Revenue Producing Questionnaire
    - Create New Cost Center Form
    - Create New G/L Form

# Key Elements of the Rate Sheet

**UK SERVICE CENTER & RECHARGE OPERATION RATE CALCULATION INSTRUCTIONS**

This workbook is intended to assist in the calculation of Service Center & Recharge Operation Rates for creating a new or modifying an existing Service Center or Recharge Operation. New Versions of this workbook will be created when necessary, but at least annually. To ensure you are using the most recent version of the workbook, always start with the template found on the RFS Website:

<https://www.uky.edu/ufs/payroll-confirmation-service-centers> ← **Link to RFS Website**

This Instructions Page is designed for easy printing, so you can have a guide thru each step of the rate calculation. You will only need to fill out fields that are gray, and the rest is calculated for you. If you need to add rows or columns, please email us and we will assist to ensure that the calculations are correct.

Any Questions, Concerns, or Suggestions can be emailed to: [svcctr.help@uky.edu](mailto:svcctr.help@uky.edu)

**To complete the Service Center and Recharge Operation Rate Sheet, follow the steps outlined below.**

**STEP 1: Complete the #1 General Info Tab**

This section should be prepared by Service Center director/staff who has the best knowledge of the overall operations. General information includes:

- Application Type
- Contact Information - Must provide Location of Service Center Activity - Building and Room #(s)
- Service Description
- Additions/Revisions - Please make sure to note any newly added rates and/or removal of rates in this section
- All Cost Centers/Grants associated with Service Center's operation

If this is a **NEW** Service Center please also complete the following sections:

- Nature of Services
- Users of Services - If you plan to have External to UK users, please include % of Internal and External users on 6a.

Costing Methodology & Rates Questionnaire

**INSTRUCTIONS - Start Here** | #1 General Info | #2 Depreciation Schedule | #3 Future Rate Calculation | #4 Recovery Stmt | #5 Rate List

- Instructions Tab (Start Here)– Printable guide for rate sheet
- #1 General Tab – Basic information and New service center information
- #2 Depreciation Tab – Enter equipment information from Ebars
- #3 Future Rate Calculation – Enter expenses, units and proposed rates
- #4 Anticipated Recovery Stmt– Enter Subsidy and Budget info, get Signatures
- #5 Rate List – Auto-filled list of rates from previous pages



# #1 General Tab (Top Half) – Required by All

University of Kentucky Service Center Recharge Operation Rate COVER Sheet													
<i>TOP HALF OF THIS PAGE IS REQUIRED BY ALL SERVICE CENTER/RECHARGE OPERATIONS. PLEASE COMPLETE ENTIRE PAGE IF YOU ARE A NEW SERVICE CENTER/RECHARGE OPERATION.</i>													
<i>Form last updated: 2/10/20</i>													
Application Type:	Annual Renewal of Rates	← Select from Drop Down: New, Mid-Year, Annual		Date Received :	Completed by RFS			FY2021					
Other:				Effective Fiscal Year:	Michael Scott								
Cost Center Number (if known):	1234567890			Service Center Manager:	Michelle Schardein								
Service Center Title (Must Match Cost Center Name):	Research Ice Cream Shop Services			Business Officer:	337 Peterson Svc Bldg								
Service Center Department Name & Number:	Ice Cream Shop 7HXXX			Physical Location of Service Center (Bldg & Room #):	30								
Service Description:	Provide High quality Ice Cream Services to assist researchers get better results for their research.			Number of Rates Proposed (numerical):									
<i>Please provide a description of the services you are providing</i>													
<b>General Description of your services</b>													
<i>If this is a mid-year adjustment, or you are adding/removing rates please provide a justification:</i>													
<b>Enter Justification for Mid-Year Adjustment or adding/removing rates</b>													
<i>Please provide all Cost Objects that are associated to the Service Center/Recharge Operation. For example, accounts expected to Subsidize, Sponsored/WBS used to buy equipment, and already established External Income accounts. Do NOT</i>													
	Fund Description (Select from Drop Down)	Account Number	Is this a subsidy account?	Expected Subsidy \$ Amount									
1)	General Fund Cost Center	1012140000	YES	\$ 10,000.00									
2)													
3)													
4)													
5)													
6)													
7)													
<b>← LIST SUBSIDY ACCOUNTS HERE!</b>													
<i>Send completed forms and direct questions about the form to <a href="mailto:Svcctr.help@uky.edu">Svcctr.help@uky.edu</a></i>													

- Basic Information needed by RFS/UBO. Please fill in as much as possible.
- List of Cost objects – NOT accounts you bill, but accounts that are associated financially to your service center.

# #1 General Tab (Bottom Half) – only NEW service centers fill out

IF YOU ARE ESTABLISHING A NEW SERVICE CENTER RECHARGE OPERATION, PLEASE COMPLETE THE FOLLOWING SECTION:													
<b>Nature of Services</b>										<b>Answer Below:</b>		<b>Reference</b>	
1.	What is the total expected <b>direct cost</b> of your recharge or service center operation? If < \$50K = Recharge Operations; \$50K - \$500K = Minor Service Center; > \$500K Major Service Center									All are drop down, except #1.		<a href="#">Appendix IV, Service Center BPM</a>	
2.	Is the service regular and continuing (more than 12 months)?												
3.	Is there another unit on campus that provides these or similar service? If yes, please identify: _____												
4.	Have you included a Business Plan for your Service Center or Recharge Operation? <b>(Required)</b>									<b>Yes/No</b>		<b>Reference</b>	
<b>Users of Services</b>										<b>Yes/No</b>		<b>Reference</b>	
5.	Is the service requesting approval to charge Federal funds (grants)? If yes, rate development must be compliant with Uniform Guidance. If no, rates will NOT be approved to charge Federal funds.											<a href="#">Uniform Guidance</a>	
6.	Is the service available to external users? 6a. % of Internal Customers: _____ % of External Customers: _____												
<b>Costing Methodology &amp; Rates Questionnaire</b>										<b>Yes/No</b>		<b>Reference</b>	
7.	Do the rate computations include only costs that are direct, identifiable, and allowable costs?											<a href="#">Appendix IV, Service Center BPM</a>	
8.	Do the rate computations include administrative or other indirect cost allocations? If yes, please list the indirect expenses included in the costs: _____												
9.	Does the operation budget include subsidies? If yes, please provide all Cost Objects and subsidy amounts in the above section.												
10.	Do the rate computations include projected increases in costs? <i>(if merit increase)</i>												
11.	Are recharge rates identical for all campus customers? If no, please explain: _____											<a href="#">E-Bars Link</a>	
12.	Is equipment depreciation included in the rate? <i>(not allowed in Recharge Operation)</i> If no, please skip questions 12a and 12b.												
12a.	Were Federal funds used to purchase any of the equipment included in the rate? <i>(Federally purchased equipment costs may not be recovered through a recharge rate)</i>											<a href="#">E-Bars Link</a>	
12b.	Is all depreciation based upon the useful lives assigned in e-bars?												
13.	Does the operation's billing practice comply with RFS's billing guidance?											<a href="#">Appendix IV, Service Center BPM</a>	
14.	Other Required Documents can be found at these links: <a href="#">1. AFRS Revenue Producing Questionnaire</a> <a href="#">2. New Cost Center Establishment Form</a> <a href="#">3. New GRIL Establishment Form</a>												
										<a href="#">E-Forms</a>			

INSTRUCTIONS - Start Here

#1 General Info

#2 Depreciation Schedule

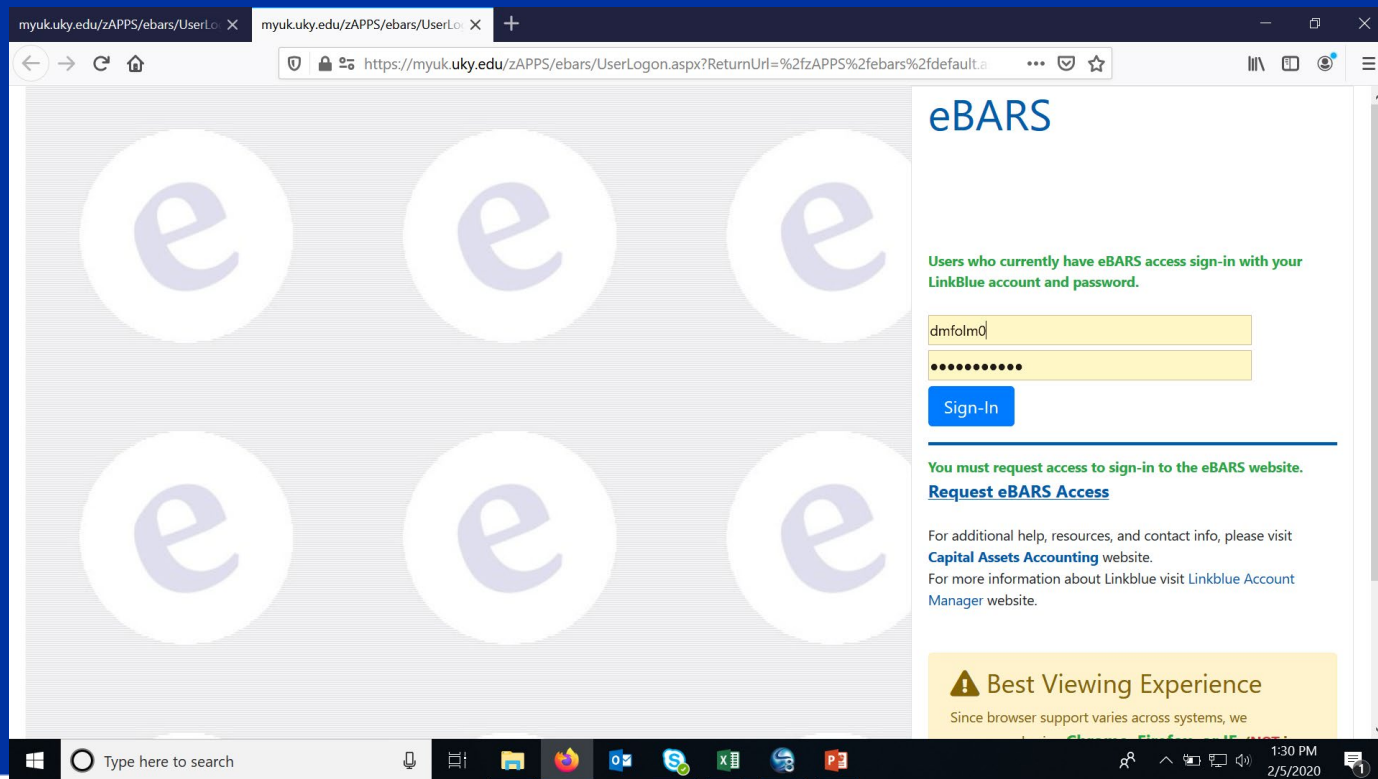
#3 Future Rate Calculation

#4 P&L Stmt & Budget

- Goal is to answer all the questions up-front that might slow down approval!

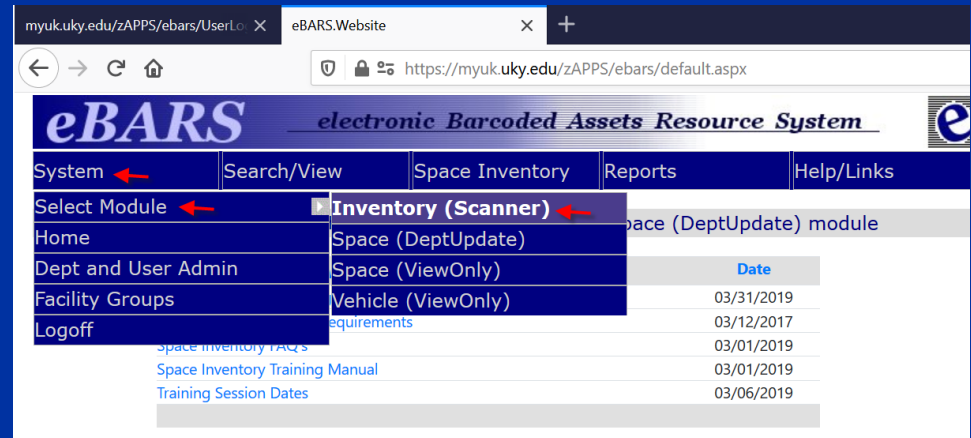
# #2 Depreciation Schedule Tab (Fill out if you have depreciating equipment)

- You will use eBARS to fill this out
  - Can copy/paste report directly into spreadsheet
- Login to eBARS here: <https://myuk.uky.edu/zAPPS/ebars/>



# How to Run the eBARS report

1. Once you login, Click System → Select Module → Inventory (Scanner).

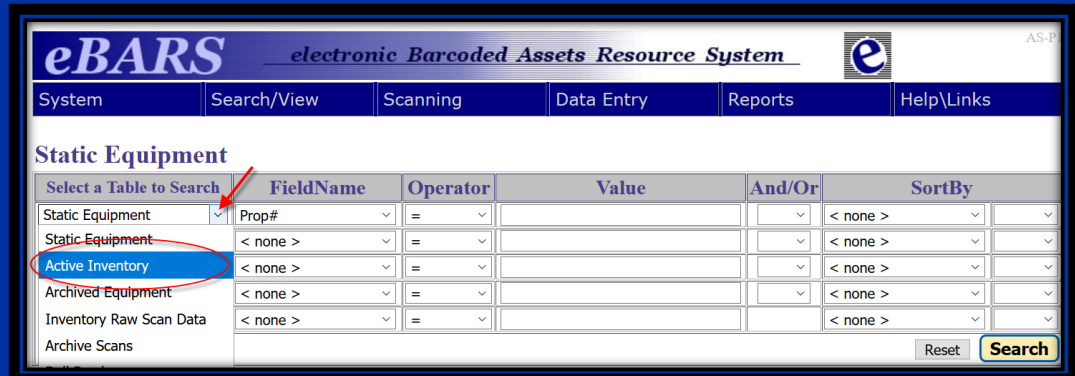


2. Click on Search/View at the top to open the report needed



# How to Run the eBARS report

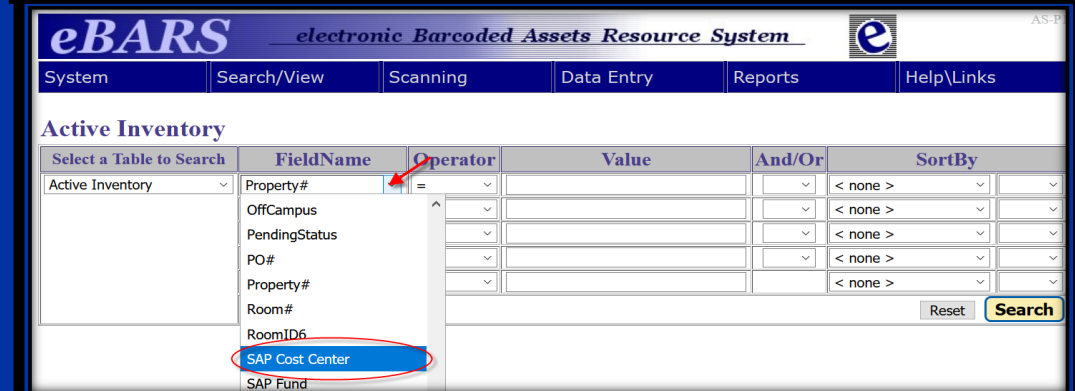
Step 1: Select a Table to Search → Select “Active Inventory”



The screenshot shows the eBARS interface for the 'Static Equipment' report. The 'Select a Table to Search' dropdown is set to 'Active Inventory', which is highlighted with a red circle. A red arrow points to the 'Field Name' dropdown, which is currently set to 'Prop#'. The 'Operator' is set to '='. The 'Value' field is empty. The 'And/Or' dropdown is set to '&'. The 'Sort By' dropdown is set to '< none >'. A 'Search' button is visible at the bottom right.

Select a Table to Search	FieldName	Operator	Value	And/Or	SortBy
Static Equipment	Prop#	=		&	< none >
Static Equipment	< none >	=		&	< none >
Active Inventory	< none >	=		&	< none >
Archived Equipment	< none >	=		&	< none >
Inventory Raw Scan Data	< none >	=		&	< none >
Archive Scans	< none >	=		&	< none >

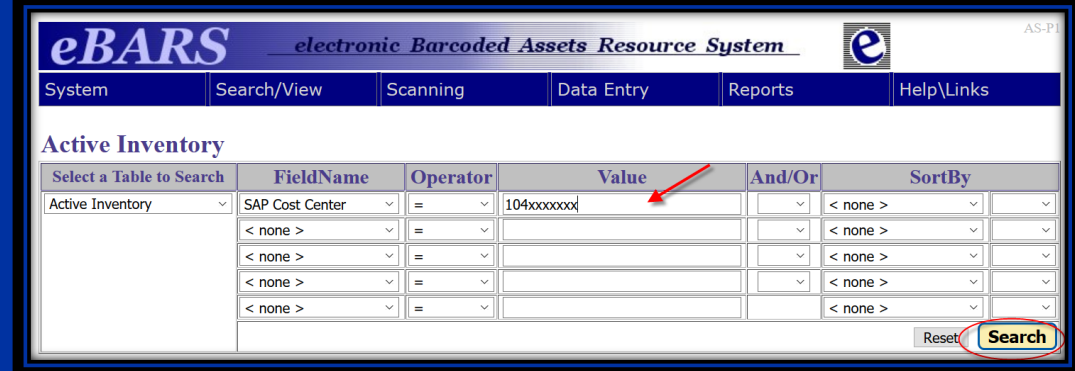
Step 2: Field Name → Select “SAP Cost Center”



The screenshot shows the eBARS interface for the 'Active Inventory' report. The 'Select a Table to Search' dropdown is set to 'Active Inventory'. The 'Field Name' dropdown is open, and 'SAP Cost Center' is selected, highlighted with a red circle. A red arrow points to the 'Operator' dropdown, which is set to '='. The 'Value' field is empty. The 'And/Or' dropdown is set to '&'. The 'Sort By' dropdown is set to '< none >'. A 'Search' button is visible at the bottom right.

Select a Table to Search	FieldName	Operator	Value	And/Or	SortBy
Active Inventory	Property#	=		&	< none >
	OffCampus	=		&	< none >
	PendingStatus	=		&	< none >
	PO#	=		&	< none >
	Property#	=		&	< none >
	Room#	=		&	< none >
	RoomID6	=		&	< none >
	SAP Cost Center	=		&	< none >
	SAP Fund	=		&	< none >


Step 3: Value & Search → Enter your Service Center Cost Center → Click Search



The screenshot shows the eBARS interface for the 'Active Inventory' report. The 'Select a Table to Search' dropdown is set to 'Active Inventory'. The 'Field Name' dropdown is set to 'SAP Cost Center'. The 'Operator' is set to '='. The 'Value' field contains '104xxxxxx', with a red arrow pointing to it. The 'And/Or' dropdown is set to '&'. The 'Sort By' dropdown is set to '< none >'. A 'Search' button is visible at the bottom right, highlighted with a red circle.

Select a Table to Search	FieldName	Operator	Value	And/Or	SortBy
Active Inventory	SAP Cost Center	=	104xxxxxx	&	< none >
	< none >	=		&	< none >
	< none >	=		&	< none >
	< none >	=		&	< none >
	< none >	=		&	< none >

# How to Run the eBARS report

**eBARS** *electronic Barcoded Assets Resource System*  ZAPRDA02

System | Search/View | Scanning | Data Entry | Reports | Help/Links

### Active Inventory

Select a Table to Search	FieldName	Operator	Value	And/Or	SortBy
Active Inventory	SAP Cost Center	=	1043801830		< none >
	< none >	=			< none >
	< none >	=			< none >
	< none >	=			< none >
	< none >	=			< none >

Reset **Search**

**Total: 5** [Export to PDF](#) [Export to Excel](#)

	Cat#	Property#	Bldg#	Room#	Dept#	Item Description	Cost	Acc Depr	Net Value	MM	YYYY	Life	BusArea	Account	PO#	Serial#	Model#	CL
<a href="#">Detail</a>	C	A619294	0174	0370	8E800	PHILIPS TRANS ELECTRON MICROSCOPE	\$597,412.00	\$597,412.00	\$0.00	09	2000	7	0101	C1043801830	U005074	D00013,17,19	AAIIKMSLD	70
<a href="#">Detail</a>	C	A663100	0174	0370	8E800	ERLANGSHEN ES1000W CCD CAMERA	\$48,756.28	\$48,756.28	\$0.00	02	2007	6	0101	C1043801830	4500001200		785	66
<a href="#">Detail</a>	C	A875463	0174	0158	8E800	10X GENOMICS CHROMIUM CONTROLLER	\$137,083.00	\$17,135.40	\$119,947.60	10	2018	10	0101	C1043801830	7500161450			64
<a href="#">Detail</a>	C	B033080	0174	0158C7	8E800	MICROSCOPE COMPLETE	\$8,924.00	\$8,924.00	\$0.00	10	1983	10	0101	C1043801830	NA	209-252	BH5-001	66

- 3 Steps to Get the Data Exported to Excel, so you can copy/paste!
  1. Verify you have the correct data entered
  2. Click Search
  3. Export your Report to Excel

# Copy/Paste from eBARS to Rate Sheet

1. From eBARS Exported report, copy Columns B thru O

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	FoundBy	PropertyNumber	BuildingCode	RoomID	RoomID6	DeptCode	Item Description	Account	Cost	SerialNumber	ModelNumber	AcquiredDate	MonthAcquired	YearAcquired	Life	FundSour
2	dafe225	A619294	174	370	370	8E800	PHILIPS TRANS ELECTRON MICROSCOPE	C1043801830	597412	D00013,17,19	AAIIIKMSLD	9/1/2000 0:00	9	2000	7	91
3	dafe225	A663100	174	370	370	8E800	ERLANGSHEN ES1000W CCD CAMERA	C1043801830	48756.28		785	2/1/2007 0:00	2	2007	6	95
4	mdadam0	A875463	174	158	158	8E800	10X GENOMICS CHROMIUM CONTROLLER	C1043801830	137083			10/1/2018 0:00	10	2018	10	91
5	mdadam0	B033080	174	0158C7	0158C7	8E800	MICROSCOPE COMPLETE	C1043801830	8924	209-252	BH5-001	10/1/1983 0:00	10	1983	10	91
6	mdadam0	B036619	174	0158C7	0158C7	8E800	ULTRAMICROTOME DEMONSTRATOR			50	36619	1/1/1988 0:00	1	1988	10	91

**COPY Columns B - O**

2. Paste the data in Columns C thru P in the Depreciation Calculation Sheet

B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
University of Kentucky Service Center Recharge															
Equipment Depreciation Schedule															
<p><b>Instruction:</b> Please list all equipment currently utilized by the Service Center. Information entered on the depreciation schedule must match E-bars. If you do not know where to locate this information, please contact your department's Space &amp; Inventory team.</p> <p><b>Important Notes:</b>                      1. Equipment purchased with Federal Funds cannot be included in the rate calculation.                      2. Reference E-Bars to gather the information needed to fill out the below - Can copy and paste.                      3. If Equipment will be purchased during next FY, include estimate of depreciation below.                      4. Schedules must be submitted using this format, and all shaded fields must be completed.                      5. Change in useful life (or other information) must be approved by RFS.</p> <p>(Insert additional lines as needed)</p>															
	Property Tag #	Bldg #	Room #	Room #2	Dept #	Equipment Description	Funding Cost Center	Purchase Price (Cost)	Serial Number	Model Number	Acquired Date	Month Acquired	Year Acquired	Useful Life	Less: Fd Paid Amo (Amount Purchas with Gran
16															
17	Not Key														
18	1														
19	2														
20	3														
21	4														
22	5														

**Paste to Columns C - P**

**IMPORTANT:** The columns match from the exported Excel report, not the screen in eBARS!

# Example #2 Depreciation Schedule

**University of Kentucky Service Center Recharge Operation Rate Sheet**  
**Equipment Depreciation Schedule**

Depreciation schedule must match E-bars.  
Inventory team.

Manual Inputs required in GRAY background blue font fields

Enter \$ amount of any Federal funds that paid for equipment.

Enter % of equipment used by your Service Center

Depreciation is calculated for you.

**This section copy/pastes directly from eBARS**

Active Inventory report from Ebars (See training materials)

Equipment Description	Funding Cost Center	Purchase Price (Cost)	Serial Number	Model Number	Acquired Date	Month Acquired	Year Acquired	Useful Life	Fed Paid Amount (Amount Purchased with Grant)	Adjustments to Depreciation Costs (Ex. Trade-In on Vehicles)	Net Cost	Percentage Used by Service Center	Net Cost to Depreciate	Depreciation Cost Per Year	Depreciation Start Date
											(A)	(B)	(C)	(D)	(E)
Pie Maker	C104380000	10,000	PIE001	MKR12	7/1/2020	7	2,020	7	-	-	10,000.00	100.00%	10,000.00	1,428.57	7/1/2020
Filling Dispensr	C104380000	7,500	FIL002		10/1/2019	5	2,019	7	1,000.00	-	6,500.00	100.00%	-	-	10/1/2019
Oven	C104380000	15,000	12.345.678	EZBKOVN	4/12/2016	4	2,016	10	-	-	15,000.00	100.00%	15,000.00	1,500.00	4/12/2016

1. Column Q = if Federal funds paid for any portion of the equipment, enter the amount here
2. Column S = Enter the % of the equipment that is used by your service center
3. The Depreciation will be calculated based on what you enter (and will populate to the rate sheet)
4. If Federal funds were used in the purchase, depreciation is disallowed for that asset



# #3 Future Rate Calculation

- Divided into FOUR sections:
  1. Header Information
    - Enter Name for each “Rate” – should match how you bill
  2. Expenses
    - Labor/Personnel
    - Consumables/Operating Expenses
    - Depreciation
    - Deficit Carryforward
  3. Income/Revenue
    - Surplus Carryforward/Budgeted Subsidy
    - Expected Units of Service for Each Rate
  4. Rates
    - Calculated Rates – calculated for you, based on what you entered
    - Proposed Rates – What you WANT to charge
    - Estimated Revenue – based on what you WANT to charge

# Fill in the Header Information

- Fill in the Header Information
  1. Replace “RATE” with name of each rate
    - Should Match Billable Name
  2. Select the “Unit of Measurement” for each rate

Service Center Recharge Op				
		Rate 1	Rate 2	Rate 3
Please replace <Rate Description> by entering a name for each service being provided. --> # of Rates Proposed (From #1 General Information P7) -->	0	Ice Cream Labor	Ice Cream Tasting	Ice Cream Consulting
What is the unit of measurement (i.e. per hour, per use, per unit, per user, etc.)? -->		Per Hour	Per Scoop	Per Hour

Note: Anytime you see a  you can click it to expand for more details!

# Expenses – Enter Labor Information

1. Last Name/First Name: Enter the employee's name
2. Position #: Enter the Position # for employee
3. Position Description: Enter the Position Description for employee

Please replace <RATE> by entering a name for each service being provided. -->

# of Rates Proposed (FTE) 0

What is the unit of measurement (i.e. per hour, per month, per semester, per year, etc.)

What is the unit of measurement (i.e. per hour, per month, per semester, per year, etc.)

**This is where you enter % of effort on Service Center (matches cost distribution)**

PERSONNEL EXPENSES						
Last Name	First Name	Position #	Position Description	Total Annual Salary	Total Annual Benefits	Total % of Effort (FTE) on Cost Center (should match 0027)
Bob	Bobby	51234567	Faculty	\$ 100,000.00	\$ 30,000.00	10%
Sarah	Seashells	51234568	Staff	\$ 50,000.00	\$ 15,000.00	50%
Sally	Anharry	51234599	Student	\$ 15,000.00	\$ 1,600.00	100%
						0%
						0%
						0%
						0%
						0%
						0%

4. Annual Salary: Enter Hourly Rate if Hourly selected; Enter Annual Rate if Salary selected.
5. Annual Benefits– Enter Total Annual \$ Amount, including Health Insurance. Use Current Year Benefit Matrix to help determine amount.
6. Enter % of Effort from Cost Distribution that is dedicated to the service center.

# Labor Expenses – Allocating Effort to Rates

Service Center Recharge Operation Rate Cal									
		0	RATE			RATE			
Total Annual Benefits	Total % of Effort (FTE) on Cost Center (should match 0027)	% of Time Rate 1	Total Salary for Rate 1	Total Benefit for Rate 1	% of Time Rate 2	Total Salary for Rate 2	Total Benefit for Rate 2		
30,000.00	10%	50.000%	5,000	1,500	50.000%	5,000	1,500		
15,000.00	50%	25.000%	6,250	1,875	75.000%	18,750	5,625		
1,600.00	100%	100.000%	15,000	1,600	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		
	0%	0.000%	-	-	0.000%	-	-		

for each service being provided...->  
**This is where you enter % of effort on Service Center (matches cost distribution)**

**Allocate 100% of effort across rates**

- To Allocate across the rates, enter the 100% of effort for each employee on that rate.
  - Examples:
    - Line 1 has 10% effort on the service center but is split equally between Rate 1 and Rate 2, so we allocate 50% (of the 10%) to each of the rates. The formulas calculate the \$ amount for you.
    - Line 3 is 100% effort on the service center but only works on Rate 1, so 100% is allocated.





# Operating Expenses - Examples

## Service Center Recharge Operation Rate Calculation

Please replace <RATE> by entering a name for each service being provided. -->  
# of Rates Proposed (From #1 General Information P7) -->

5

Vanilla Research Ice Cream	Chocolate Research Ice Cream	Strawberry Research Ice Cream	Neopolitan Research Ice Cream	Research Ice Cream Consultation
Research	Research	Research	Research	Consulting
Per Unit	Per Unit	Per Unit	Per Unit	Per Hour

### OPERATING EXPENSES

Enter Description of Operating Expense	Enter Dollar \$ Amount of Operating Expense	Cost Alloc. R1 (Enter %)	Cost Alloc. R2 (Enter %)	Cost Alloc. R3 (Enter %)	Cost Alloc. R4 (Enter %)	Cost Alloc. R5 (Enter %)
Research Ice Cream Consumables/Supplies	\$ 10,000.00	25%	25%	25%	25%	0%
Service Contract for Research Ice Cream Maker #1	\$ 7,500.00	33%	33%	34%	0%	0%
Research Ice Cream Office Supplies	\$ 1,000.00	10%	10%	10%	10%	60%
		0%	0%	0%	0%	0%

- Example 1: Research Consumables are not used for consulting, so 0% is allocated to that rate
- Example 2: Ice Cream Maker #1 is only used on the first 3 rates; it is split between those 3 rates
- Example 3: The office supplies are used mostly by the consulting, so 60% is allocated to that rate

# Depreciation Expenses – Allocation

Service Center Recharge Operation Rate Calculation									
Please replace <RATE> by entering a short service name for each service being provided. -->			5	Vanilla Research Ice Cream	Chocolate Research Ice Cream	Strawberry Research Ice Cream	Neopolitan Research Ice Cream	Research Ice Cream Consultation	
# of Rates Proposed (From #1 General Information P7) -->				Research	Research	Research	Research	Consulting	
What is the nature of the service? (select) -->				Per Unit	Per Hour	Per Hour	Per Hour	Per Hour	
the unit of measurement (i.e. per hour, per use, per unit, per user, etc.)? -->									
STOP! If costs contain equipment			Schedule PRIOR to completing this section.						
This section is populated from #2 Depreciation Schedule								This is where you need to Allocate the % of depreciation across the rates.	
Asset Number (Do not Update, automatic)	Equipment (Do not Update, automatic)	Applicable Fiscal Year =>	2021	Future Year Depreciation (Do not update)	Depr % Alloc. Rate 1	Depr % Alloc. Rate 2	Depr % Alloc. Rate 3	Depr % Alloc. Rate 4	Depr % Alloc. Rate 5
ABCDEF	Research Ice Cream Maker #1			\$ 5,000.00	33%	33%	34%	0%	0%
GHIJKL	Research Ice Cream Freezer			\$ 2,500.00	25%	25%	25%	25%	0%
MNOPQ	Research Ice Cream Delivery Truck			\$ 5,000.00	25%	25%	25%	25%	0%
0	-			\$ -	0%	0%	0%	0%	0%
0	-			\$ -	0%	0%	0%	0%	0%
0	-			\$ -	0%	0%	0%	0%	0%

- The Depreciation Schedule will populate the equipment data to this tab.
- You will need to enter the % allocated to each rate.
- Consider how much each equipment is used to produce each rate.
  - Example 1 – the Ice Cream Freezer is used by 4 of the services equally, so we put 25% to each rate.
  - Example 2 – the 5<sup>th</sup> service is Consultation, so no equipment is used. 0% is allocated to that service.



# Depreciation Expenses – More Detail & Totals

Please replace <RATE> by entering a short service name for each service being provided. -->  
# of Rates Proposed (From #1 General Information P7) -->

What is the nature of the service? (select) -->

What is the unit of measurement (i.e. per hour, per use, per unit, per user, etc.)? -->

STOP! If costs contain equipment please complete #2 Depreciation Schedule PRIOR to completing this section.

Asset Number (Do not Update, automatic)	Equipment Description (Do not update, automatic)	Select Applicable Fiscal Year =>	2021	Future Year Depreciation (Do not update)	Depr % Alloc. Rate 1	Depr \$ Rate 1	Depr % Al Rate 2
ABCDEF	Research Ice Cream Maker #1			\$ 5,000.00	33%	1,650.00	33%
GHIJKL	Research Ice Cream Freezer			\$ 2,500.00	25%	625.00	25%
MNOPQ	Research Ice Cream Delivery Truck			\$ 5,000.00	25%	1,250.00	25%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
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0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
0		-		\$ -	0%	-	0%
<b>Total Depreciation Expense</b>							
<b>Totals for Depreciation</b>				12,500	\$ 3,525		

Click here to see the \$ amount associated with the allocation

Service Center Recharge  
Vanilla Research Ice Cream  
Research  
Per Unit  
Chocola Research Cream  
Research  
Per Unit



# Cost Adjustments - Carryforward Surplus & Subsidy

- If Prior year ended with a surplus, or you are including a subsidy in your rate, enter the total amount here.
  - Allocate the total amount across rates
  - Will get warning in Column J if total does not equal Column I
  - Reminder - One product or service may not subsidize another

Service Center Recharge Op												
						Rate 1	Rate 2	Rate 3				
Please replace <Rate Description> by entering a name for each service being provided. --> # of Rates Proposed (From #1 General Information P7) -->						3	Ice Cream Labor	Ice Cream Tasting	Ice Cream Consulting	R		
What is the unit of measurement (i.e. per hour, per use, per unit, per user, etc.)? -->							Per Hour	Per Scoop	Per Hour			
Cost Adjustments												
Prior Period Surplus Carryforward (Positive Balance)		INSERT POSITIVE TOTAL HERE --> (SUM ACROSS RATES SHOULD TOTAL THIS NUMBER)	\$	3,000	Check Values	\$	1,000.00	\$	500.00	\$	1,250.00	\$
Subsidy Included in Budget Total (\$)		INSERT POSITIVE TOTAL HERE --> (SUM ACROSS RATES SHOULD TOTAL THIS NUMBER)	\$	-		\$	-	\$	-	\$	-	\$

# Project your Units of Service for EACH Rate

- Enter your projected units of service for both internal and external customers for each rate
- This will automatically calculate your “Breakeven Rate”
  - This is how much it costs to produce this service/product
  - Internal Rate should not exceed this number
  - External Rate here includes 53% Overhead
- Enter your PROPOSED RATES – this is what you WANT to charge for the service/product

Service Center Recharge O				
	Rate 1	Rate 2	Rate 3	
Please replace <Rate Description> by entering a name for each service being provided. --> # of Rates Proposed (From #1 General Information P7) -->	3	Ice Cream Labor	Ice Cream Tasting	Ice Cream Consulting
What is the unit of measurement (i.e. per hour, per use, per unit, per user, etc.)? -->		Per Hour	Per Scoop	Per Hour
<b>Volume (Projections)</b>				
Volume Sold at Internal Rates (UK Customers)	12,000	12,000	12,000	
Volume Sold at External Rates (External Customers)	1,000	1,000	1,000	
Total Volume	13,000	13,000	13,000	
<b>Rate Calculations (Do not update - Auto Calculated Field)</b>				
Breakeven Internal Rate (Calculated)	\$ 5.66	\$ 8.67	\$ 5.62	
External Rate (Calculated + 53% Overhead Recovery included)	\$ 8.66	\$ 13.27	\$ 8.60	
<b>Proposed Rates - If Different than Calculated Rate (Edit as needed)</b>				
Proposed Internal Rate	\$ 5.00	\$ 9.00	\$ 4.50	
Proposed External Rate	\$ 10.00	\$ 13.00	\$ 10.00	
		Error		
<b>Revenue Summary</b>				
Internal Recharge Income	\$ 60,000.00	\$ 108,000.00	\$ 54,000.00	
External Revenue Income	\$ 10,000.00	\$ 13,000.00	\$ 10,000.00	
<b>Total Revenue</b>	<b>\$ 71,000.00</b>	<b>\$ 121,500.00</b>	<b>\$ 65,500.00</b>	
(Deficit)/Surplus based on Proposed Rate	\$ 2,045.00	\$ 16,920.00	\$ (3,465.00)	

# Revenue Summary

- Revenue Summary = Based on Proposed Rates
  - Internal Recharge Income = Based on Internal Units
  - External Revenue Income = Based on External Units
  - Total Revenue = Sum of Internal + External Income
  - Deficit/Surplus = Difference between Total Revenue and Total Expenses

				Rate 1	Rate 2	Rate 3	
Please replace <Rate Description> by entering a name for each service being provided. --> # of Rates Proposed (From #1 General Information P7) -->				3	Ice Cream Labor	Ice Cream Tasting	Ice Cream Consulting
What is the unit of measurement (i.e. per hour, per use, per unit, per user, etc.)? -->					Per Hour	Per Scoop	Per Hour
Breakeven Internal Rate (Calculated)					\$ 5.66	\$ 8.67	\$ 5.62
External Rate (Calculated + 53% Overhead Recovery included)					\$ 8.66	\$ 13.27	\$ 8.60
<b>Proposed Rates - If Different than Calculated Rate (Edit as needed)</b>							
Proposed Internal Rate					\$ 5.00	\$ 9.00	\$ 4.50
Proposed External Rate					\$ 10.00	\$ 13.00	\$ 10.00
					-	Error	-
<b>Revenue Summary</b>							
Internal Recharge Income					\$ 60,000.00	\$ 108,000.00	\$ 54,000.00
External Revenue Income					\$ 10,000.00	\$ 13,000.00	\$ 10,000.00
<b>Total Revenue</b>					<b>\$ 71,000.00</b>	<b>\$ 121,500.00</b>	<b>\$ 65,500.00</b>
					\$ 2,045.00	\$ 16,920.00	\$ (3,465.00)

**Calculated Revenue = Usage  
x Proposed Rates**

## #4 Anticipated Recovery Statement

- The Anticipated Recovery Statement is a summary of all expenses and revenue
- This is populated from prior tabs, will need to enter subsidy to balance (if needed)
- Budget – Use data from the Statement to fill in the budget portion, balance to zero.
- Signatures – E-Signature preferred
  - Please do not lock/protect the PDF signature page before returning to RFS

# Anticipated Recovery Statement

Anticipated Recovery Statement			
<b>Revenue</b>			
6XXXXX	Internal Recharge	\$	105,000.00
4XXXXX	External Revenue	\$	46,500.00
480021	Carryforward Surplus	\$	-
74XXXX	Non-General Fund Subsidy (Included in Rates)	\$	-
<b>Total Revenue</b>			<b>\$ 151,500.00</b>
<b>Expenses</b>			
51XXXX	Personnel Salary	\$	100,000.00
52XXXX	Employee Benefits	\$	25,000.00
53XXXX	Operating Expenses	\$	25,000.00
755020	Depreciation Expenses	\$	-
580021	Carryforward Deficit	\$	1,500.00
<b>Total Expenses</b>			<b>\$ 151,500.00</b>
<b>Net Surplus/(Deficit)</b>		<b>\$</b>	<b>-</b>
<b>ADD: Non-General Fund Subsidy</b>		<b>\$</b>	<b>-</b>
<b>ADD: General Fund Subsidy</b>		<b>\$</b>	<b>-</b>
<b>Net Surplus/(Deficit) after General Fund Subsidy</b>		<b>\$</b>	<b>-</b>

- Summary of Revenue and Expenses from Prior tabs.
- If your Net Income/Loss is Negative, you will need to add a Subsidy
  - The account for the subsidy should be listed on #1 General Tab
- Reminder the goal is to BREAK-EVEN, not just be within +/- 10%.

# UK Budget Document

- Budget Portion is not populated and will need to be filled out.
- UBO has provided six different scenarios to showcase how to complete the budget portion
- Commitment Item Key
  - Personnel CI's:
    - 51XXXX = 610000
  - Benefits CI's:
    - 52XXXX = 620000
  - All other CI's:
    - 53XXXX, 580021 and 755020 = 630000

UK BUDGET DOCUMENT		
<b>Expenses</b>		
511XXX	Faculty Salary	\$ -
512XXX	Staff Salary	\$ -
513XXX	Student & Post Doc Salary	\$ -
52XXXX	Employee Benefits	\$ -
53XXXX	Operating Expenses	\$ -
755020	Depreciation Expenses	\$ -
580021	Carryforward Deficit	\$ -
<b>Total Expenses</b>		\$ -
<b>Revenue</b>		
610000	Personnel	\$ -
620000	Benefits	\$ -
630000	Current Expense	\$ -
4XXXXX	External Revenue	\$ -
480021	Carryforward Surplus	\$ -
74XXXX	Non-General Fund Subsidy (Included in Rates)	\$ -
<b>Total Revenue</b>		\$ -
<b>Balance (Should be ZERO)</b>		\$ -

*\*Budget document is designed to assist with the Annual Budgeting Process. For assistance please see your AFO/UBO Representative. Overall Budget should balance to zero and should EXCLUDE General Fund Subsidy dollars.*



# Budget Scenario #1: Recharge Only

	A	B	C	D	E	F
1	<b>Profit &amp; Loss Statement</b>					
2	<b>Revenue</b>					
3	6XXXXX	Internal Recharge				\$ 1,895,800.00
4	4XXXXX	External Revenue				\$ -
5	480021	Carryforward Surplus				\$ -
6	74XXXX	Non-General Fund Subsidy (Included in Rates)				\$ -
8	<b>Total Revenue</b>					<b>\$ 1,895,800.00</b>
9						
10	<b>Expenses</b>					
11	51XXXX	Personnel Salary				\$ 297,600.00
12	52XXXX	Employee Benefits				\$ 98,200.00
13	53XXXX	Operating Expenses				\$ 1,000,000.00
14	755020	Depreciation Expenses				\$ 500,000.00
15	580021	Carryforward Deficit				\$ -
16	<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
17						
18	<b>Net Income/(Loss)</b>					<b>\$ -</b>
19	<b>ADD: Non-General Fund Subsidy</b>					<b>\$ -</b>
20	<b>ADD: General Fund Subsidy</b>					<b>\$ -</b>
21	<b>Net Income/(Loss) after General Fund Subsidy</b>					<b>\$ -</b>
22						
24	<b>UK BUDGET DOCUMENT</b>					
25	<b>Expenses</b>					
26	51XXXX	Personnel Salary				\$ 297,600.00
27	52XXXX	Employee Benefits				\$ 98,200.00
28	53XXXX	Operating Expenses				\$ 1,000,000.00
29	755020	Depreciation Expenses				\$ 500,000.00
30	580021	Carryforward Deficit				\$ -
32	<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
34	<b>Revenue</b>					
35	610000	Personnel Salary				\$ 297,600.00
36	620000	Employee Benefits				\$ 98,200.00
37	630000	Current Expense				\$ 1,500,000.00
38	4XXXXX	External Revenue				\$ -
39	480021	Carryforward Surplus				\$ -
40	74XXXX	Non-General Fund Subsidy				\$ -
42	<b>Total Revenue</b>					<b>\$ 1,895,800.00</b>
43	<b>Balance (Should be ZERO)</b>					<b>-</b>
44						

EXAMPLE 1: The Ice Cream Services Service Center sells its product to only University of Kentucky customers. No external income, subsidy or carryforward surplus or deficits occur in this business for the fiscal year. The cost to operate the service center is \$1,895,800.

# Budget Scenario #2: External Income

A	B	C	D	E	F
<b>Profit &amp; Loss Statement</b>					
<b>Revenue</b>					
6XXXXX	Internal Recharge			\$	1,845,800.00
4XXXXX	External Revenue			\$	50,000.00
480021	Carryforward Surplus			\$	-
74XXXX	Non-General Fund Subsidy (Included in Rates)			\$	-
<b>Total Revenue</b>					<b>\$ 1,895,800.00</b>
<b>Expenses</b>					
51XXXX	Personnel Salary			\$	297,600.00
52XXXX	Employee Benefits			\$	98,200.00
53XXXX	Operating Expenses			\$	1,000,000.00
755020	Depreciation Expenses			\$	500,000.00
580021	Carryforward Deficit			\$	-
<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
<b>Net Income/(Loss)</b>					<b>\$ -</b>
<b>ADD: Non-General Fund Subsidy</b>					<b>\$ -</b>
<b>ADD: General Fund Subsidy</b>					<b>\$ -</b>
<b>Net Income/(Loss) after General Fund Subsidy</b>					<b>\$ -</b>
<b>UK BUDGET DOCUMENT</b>					
<b>Expenses</b>					
51XXXX	Personnel Salary			\$	297,600.00
52XXXX	Employee Benefits			\$	98,200.00
53XXXX	Operating Expenses			\$	1,000,000.00
755020	Depreciation Expenses			\$	500,000.00
580021	Carryforward Deficit			\$	-
<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
<b>Revenue</b>					
610000	Personnel Salary			\$	297,600.00
620000	Employee Benefits			\$	98,200.00
630000	Current Expense			\$	1,450,000.00 *
4XXXXX	External Revenue			\$	50,000.00
480021	Carryforward Surplus			\$	-
74XXXX	Non-General Fund Subsidy			\$	-
<b>Total Revenue</b>					<b>\$ 1,895,800.00</b>
<b>Balance (Should be ZERO)</b>					<b>-</b>

**EXAMPLE 2:** The Ice Cream Services Service Center sells its product to University of Kentucky customers as well as customers outside of the University. The revenue generated from external customers is expected to total \$50,000. No subsidy or carryforward surplus or deficits occur in this business for the fiscal year. The cost to operate the service center is \$1,895,800.

**NOTE:** The Current expense Recharge (630000) is adjusted to accommodate the external revenue

# Budget Scenario #3: Carryforward Deficit

Profit & Loss Statement		
<b>Revenue</b>		
6XXXXX	Internal Recharge	\$ 1,925,800.00
4XXXXX	External Revenue	\$ 50,000.00
480021	Carryforward Surplus	\$ -
74XXXX	Non-General Fund Subsidy (Included in Rates)	\$ -
<b>Total Revenue</b>		<b>\$ 1,975,800.00</b>
<b>Expenses</b>		
51XXXX	Personnel Salary	\$ 297,600.00
52XXXX	Employee Benefits	\$ 98,200.00
53XXXX	Operating Expenses	\$ 1,000,000.00
755020	Depreciation Expenses	\$ 500,000.00
580021	Carryforward Deficit	\$ 80,000.00
<b>Total Expenses</b>		<b>\$ 1,975,800.00</b>
<b>Net Income/(Loss)</b>		<b>\$ -</b>
<b>ADD: Non-General Fund Subsidy</b>		<b>\$ -</b>
<b>ADD: General Fund Subsidy</b>		<b>\$ -</b>
<b>Net Income/(Loss) after General Fund Subsidy</b>		<b>\$ -</b>

UK BUDGET DOCUMENT		
<b>Expenses</b>		
51XXXX	Personnel Salary	\$ 297,600.00
52XXXX	Employee Benefits	\$ 98,200.00
53XXXX	Operating Expenses	\$ 1,000,000.00
755020	Depreciation Expenses	\$ 500,000.00
580021	Carryforward Deficit	\$ 80,000.00
<b>Total Expenses</b>		<b>\$ 1,975,800.00</b>
<b>Revenue</b>		
610000	Personnel Salary	\$ 297,600.00
620000	Employee Benefits	\$ 98,200.00
630000	Current Expense	\$ 1,530,000.00 *
4XXXXX	External Revenue	\$ 50,000.00
480021	Carryforward Surplus	\$ -
74XXXX	Non-General Fund Subsidy	\$ -
<b>Total Revenue</b>		<b>\$ 1,975,800.00</b>
<b>Balance (Should be ZERO)</b>		<b>-</b>

**EXAMPLE 3:** The Ice Cream Services Service Center sells its product to University of Kentucky customers as well as customers outside of the University. The revenue generated from external customers is expected to total \$50,000. Due to a new Wellness Initiative at the University, fewer customers bought the product and as a result they ended last year with an \$80,000 Deficit. The cost to operate the service center is \$1,895,800. No Subsidy is available

**NOTE:** The Current expense Recharge (630000) is adjusted to accommodate the external revenue and the deficit

# Budget Scenario #4: Carryforward Surplus

Profit & Loss Statement		
<b>Revenue</b>		
6XXXXX	Internal Recharge	\$ 1,815,800.00
4XXXXX	External Revenue	\$ 50,000.00
480021	Carryforward Surplus	\$ 30,000.00
74XXXX	Non-General Fund Subsidy (Included in Rates)	\$ -
<b>Total Revenue</b>		<b>\$ 1,895,800.00</b>
<b>Expenses</b>		
51XXXX	Personnel Salary	\$ 297,600.00
52XXXX	Employee Benefits	\$ 98,200.00
53XXXX	Operating Expenses	\$ 1,000,000.00
755020	Depreciation Expenses	\$ 500,000.00
580021	Carryforward Deficit	\$ -
<b>Total Expenses</b>		<b>\$ 1,895,800.00</b>
<b>Net Income/(Loss)</b>		<b>\$ -</b>
<b>ADD: Non-General Fund Subsidy</b>		<b>\$ -</b>
<b>ADD: General Fund Subsidy</b>		<b>\$ -</b>
<b>Net Income/(Loss) after General Fund Subsidy</b>		<b>\$ -</b>
UK BUDGET DOCUMENT		
<b>Expenses</b>		
51XXXX	Personnel Salary	\$ 297,600.00
52XXXX	Employee Benefits	\$ 98,200.00
53XXXX	Operating Expenses	\$ 1,000,000.00
755020	Depreciation Expenses	\$ 500,000.00
580021	Carryforward Deficit	\$ -
<b>Total Expenses</b>		<b>\$ 1,895,800.00</b>
<b>Revenue</b>		
610000	Personnel Salary	\$ 297,600.00
620000	Employee Benefits	\$ 98,200.00
630000	Current Expense	\$ 1,420,000.00 *
4XXXXX	External Revenue	\$ 50,000.00
480021	Carryforward Surplus	\$ 30,000.00
74XXXX	Non-General Fund Subsidy	\$ -
<b>Total Revenue</b>		<b>\$ 1,895,800.00</b>
<b>Balance (Should be ZERO)</b>		<b>-</b>

**EXAMPLE 4:** The Ice Cream Services Service Center sells its product to University of Kentucky customers as well as customers outside of the University. The revenue generated from external customers is expected to total \$50,000. Last year a new product was introduced which resulted in record sales and as a result they ended the year with a \$30,000 surplus. The cost to operate the service center is \$1,895,800.

**NOTE:** The Current expense Recharge (630000) is adjusted to accommodate the external revenue and the surplus

# Budget Scenario #5: Non-General Fund Subsidy

A	B	C	D	E	F
<b>Profit &amp; Loss Statement</b>					
<b>Revenue</b>					
6XXXXX	Internal Recharge				\$ 1,745,800.00
4XXXXX	External Revenue				\$ 50,000.00
480021	Carryforward Surplus				\$ -
74XXXX	Non-General Fund Subsidy (Included in Rates)				\$ -
<b>Total Revenue</b>					<b>\$ 1,795,800.00</b>
<b>Expenses</b>					
51XXXX	Personnel Salary				\$ 297,600.00
52XXXX	Employee Benefits				\$ 98,200.00
53XXXX	Operating Expenses				\$ 1,000,000.00
755020	Depreciation Expenses				\$ 500,000.00
580021	Carryforward Deficit				\$ -
<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
<b>Net Income/(Loss)</b>					<b>\$ (100,000.00)</b>
<b>ADD: Non-General Fund Subsidy</b>					<b>\$ 100,000.00</b>
<b>ADD: General Fund Subsidy</b>					<b>\$ -</b>
<b>Net Income/(Loss) after General Fund Subsidy</b>					<b>\$ -</b>
<b>UK BUDGET DOCUMENT</b>					
<b>Expenses</b>					
51XXXX	Personnel Salary				\$ 297,600.00
52XXXX	Employee Benefits				\$ 98,200.00
53XXXX	Operating Expenses				\$ 1,000,000.00
755020	Depreciation Expenses				\$ 500,000.00
580021	Carryforward Deficit				\$ -
<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
<b>Revenue</b>					
610000	Personnel Salary				\$ 297,600.00
620000	Employee Benefits				\$ 98,200.00
630000	Current Expense				\$ 1,350,000.00 *
4XXXXX	External Revenue				\$ 50,000.00
480021	Carryforward Surplus				\$ -
74XXXX	Non-General Fund Subsidy				\$ 100,000.00
<b>Total Revenue</b>					<b>\$ 1,895,800.00</b>
<b>Balance (Should be ZERO)</b>					<b>-</b>

**EXAMPLE 5:** The Ice Cream Services Service Center sells its product to University of Kentucky customers as well as customers outside of the University. The revenue generated from external customers is expected to total \$50,000. Due to a new company providing a similar product at a lower cost, the service center needs a subsidy since they reduced their rate. The subsidy is provided by account 1215999900. The cost to operate the service center is \$1,895,800. There was no carryforward last year.

**NOTE:** The Current expense Recharge (630000) is adjusted to accommodate the external revenue and the non-general fund subsidy



# Budget Scenario #6: General Fund Subsidy

**EXAMPLE 6:** The Ice Cream Services Service Center sells its product to University of Kentucky customers as well as customers outside of the University. The revenue generated from external customers is expected to total \$50,000. Due to a new company providing a similar product at a lower cost, the service center needs a subsidy since they reduced their rate. The subsidy is provided by account 1012999900. The cost to operate the service center is \$1,895,800. There was no carryforward last year.

Subsidies provided by General Funds/Sponsored Funds are budgeted in the respective accounts and are **not budgeted in the service center account**

NOTE: Both the Expense and Revenue Sides of the budget must be adjusted for the General Fund/Sponsored Fund Subsidy

A	B	C	D	E	F
<b>Profit &amp; Loss Statement</b>					
<b>Revenue</b>					
6XXXXX	Internal Recharge				\$ 1,745,800.00
4XXXXX	External Revenue				\$ 50,000.00
480021	Carryforward Surplus				\$ -
74XXXX	Non-General Fund Subsidy (Included in Rates)				\$ -
<b>Total Revenue</b>					<b>\$ 1,795,800.00</b>
<b>Expenses</b>					
51XXXX	Personnel Salary				\$ 297,600.00
52XXXX	Employee Benefits				\$ 98,200.00
53XXXX	Operating Expenses				\$ 1,000,000.00
755020	Depreciation Expenses				\$ 500,000.00
580021	Carryforward Deficit				\$ -
<b>Total Expenses</b>					<b>\$ 1,895,800.00</b>
<b>Net Income/(Loss)</b>					<b>\$ (100,000.00)</b>
<b>ADD: Non-General Fund Subsidy</b>					<b>\$ -</b>
<b>ADD: General Fund Subsidy</b>					<b>\$ 100,000.00</b>
<b>Net Income/(Loss) after General Fund Subsidy</b>					<b>\$ -</b>
<b>UK BUDGET DOCUMENT</b>					
<b>Expenses</b>					
51XXXX	Personnel Salary				\$ 297,600.00
52XXXX	Employee Benefits				\$ 98,200.00
53XXXX	Operating Expenses				\$ 900,000.00 *
755020	Depreciation Expenses				\$ 500,000.00
580021	Carryforward Deficit				\$ -
<b>Total Expenses</b>					<b>\$ 1,795,800.00</b>
<b>Revenue</b>					
610000	Personnel Salary				\$ 297,600.00
620000	Employee Benefits				\$ 98,200.00
630000	Current Expense				\$ 1,350,000.00 *
4XXXXX	External Revenue				\$ 50,000.00
480021	Carryforward Surplus				\$ -
74XXXX	Non-General Fund Subsidy				\$ -
<b>Total Revenue</b>					<b>\$ 1,795,800.00</b>
<b>Balance (Should be ZERO)</b>					<b>-</b>

# Signature Page (Included on Recovery Statement and Budget)

- Goal is to have the Recovery Statement and Budget Completed before obtaining Signatures.
- This allows an “at a glance” review of the Revenue and Expenses.
- Notes:
  - Dean/Director Signature required for NEW Service Centers.
  - Adobe Electronic Signatures are preferred.
  - Make sure signees read the attestation statements and understand what their signature represents.

# Signature Page

## E-Signature and Statement of Responsibility

For Departmental Contact Responsible for the Operation of the Service Center Recharge Operation, I certify that to the best of my knowledge that:

1. The information included is accurate and has been prepared in compliance with current University policies.
2. I understand and take responsibility for recording the service usage, associated costs, recharge income and external revenue, and will pursue rate adjustments in a timely manner to address any surplus or deficit.
3. Rates recover full direct costs of operations, and only include costs necessary to provide goods or services.
4. Internal recharge and external invoice billings are completed on at least a monthly basis.
5. Unallowable costs are excluded from recharge activities charged to federal funds.
6. The portion of equipment borne by federal funds is excluded from depreciation schedule.
7. Charges to customers use the approved rates.
8. Products or services sold to external customers are not in competition with local commercial services.
9. Activities with a prior year surplus or deficit that exceeds 60 days of working capital have a proposed resolution.
10. Any potential or actual financial conflicts of interest and/or other conflicts of interest with External Customers have been reviewed and managed in compliance with applicable regulations and University Policies.

**Service Center Manager E-Signature - Responsible for the Operation of the Service Center**

**Business Officer E-Signature**

## FOR NEW SERVICE CENTERS, PLEASE ALSO OBTAIN DEAN/UNIT DIRECTOR LEVEL E-SIGNATURE BELOW:

For Dean/Unit Director/Designee, I certify that I understand, as the Authorizing Official, it is my responsibility to:

1. Review and approve NEW Service Center Recharge Operation requests.
2. Provide overall financial responsibility of the Service Center Recharge Operation and must provide an appropriate fund source to cover potential deficits created by the new Service Center Recharge Operation.
3. If the Dean, Unit Director or signature authority is aware of any conflicts of interest between the external company and any university employees, then they are required to report the information to RFS immediately.

**Dean/Unit Director/Designee E-Signature (For new Service Center Recharge Activity only)**



# #5 Rate List

- This is auto-populated from previous tabs for quick reference.
- Will be used by RFS/AFRS to verify correct billing rates used on JV's.
- Product/Service Description is blank until a description is included on Tab #3. If a rate is listed without a description, we'll request an update.

B	C	D	E	F	G
<b>Master List of Approved Rates</b>					
Service Center Name		Ice Cream Shop			
Service Center Cost Center		1043800000			
Service Center Department		College of Delicious			
<b>Date Approved</b>		<i>ENTERED BY RFS (Do not use until date entered here)</i>			
**Rates Subject to Change**					
	<b>Product/Service Description</b>	<b>Per Unit</b>	<b>Approved Internal Rate</b>	<b>Approved External Rate</b>	
1	Ice Cream Labor	Per Hour	\$ 5.00	\$	10.00
2	Ice Cream Tasting	Per Scoop	\$ 9.00	\$	13.00
3		Per Hour	\$ 4.50	\$	10.00
4		0	\$ -	\$	-
5		0	\$ -	\$	-
6		0	\$ -	\$	-
7		0	\$ -	\$	-
8		0	\$ -	\$	-
9		0	\$ -	\$	-
10		0	\$ -	\$	-
11		0	\$ -	\$	-
12		0	\$ -	\$	-
13		0	\$ -	\$	-
14		0	\$ -	\$	-
15		0	\$ -	\$	-
16		0	\$ -	\$	-
<span style="background-color: #90EE90;">ACTIONS - Start Here</span> <span style="margin-left: 20px;">#1 General Info</span> <span style="margin-left: 20px;">#2 Depreciation Schedule</span> <span style="margin-left: 20px;">#3 Future Rate Calculation</span> <span style="margin-left: 20px;">#4 Recovery Stmt</span> <span style="margin-left: 20px; border: 1px solid black; padding: 2px;">#5 Rate List</span>					

# Timeline

- Signed completed drafts to RFS by **May 31, 2021**
- RFS will begin initial reviews upon receipt
- Current year fund balance reviews for year-end will begin in June and be performed weekly through period 16 close
- Final approvals will be completed after period 16 close and verification of PY ending fund balance
- After Rates are approved, forwarded to AFO for budget approval/transfers, but rates can be used.

# Q&A!



**Comments? Think of something later?**

Contact us at: [svcctr.help@uky.edu](mailto:svcctr.help@uky.edu)