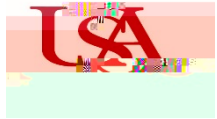




GRANTS & CONTRACTS ACCOUNTING

Tammy Silcox, CFRA, CPA



What is a Service Center?

The University's service center policy defines service centers as an activity that performs specific technical or administrative services primarily for internal operations and charges users for its services through a charge rate(s). USA's service center policy:

<http://www.southalabama.edu/departments/financialaffairs/grantsandcontracts/policies.html>

Service Centers

- The University has established a Service Center Committee to oversee the implementation of the service center policy.
- Committee Members:
 - JulieSchwindt

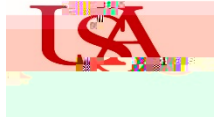


Service Centers

- Provide services to internal community
- Provide services to external community
- Breakeven over a reasonable period of time. Accumulated deficits/surpluses are incorporated into future rates
- Expenses are the basis for rates charged to customers, including the Federal government
- No costs for unallowable items or activities unrelated to the operations of the service center.

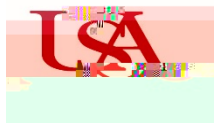
Establishing a Service Center

- What are the products or services provided?
- Who will be the primary users (internal, federal, external)?
- Will



Establishing a Service Center

- OGCA will set up a cost model
 - * Include costs for each service/good provided
 - Personnel required
 - Equipment, service contracts, other fixed costs
 - Costs of consumables
 - Effort allocation
 - * Identify and segregate any unallowable costs (equipment, tuition, reserves for future use, etc.)
 - * Annual volume estimates



Establishing a Service Center

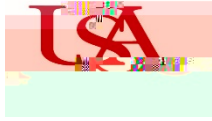
Responsibilities of Service Center:

- Service Center Directors have day to day responsibility for operating within Federal guidelines and Institutional policy
- Ensuring that Service Centers are properly managed and that all rates have been approved – no backdating allowed before start date of approved rate.
- Analysis are submitted on a timely basis

Establishing a Service Center

Responsibilities of Grants & Contracts Accounting

- Monitor operations to ensure compliance with policy by monitoring balances and budgets
- Provide technical assistance to establish new Service Center



Rate Calculation

- Billing rates should be computed annually
- Rates should be based on a reasonable estimate of the costs of providing the services for the year and the projected number of billing units for the year.
- The billing unit(s) should represent the type of service provided.
- A separate rate should be provided for each significant activity
- The billing rate computation must be documented
- Records and logs should be maintained for all activity.

Rate Calculation

- All internal users must be charged for the services they receive and be charged the same rate.
- Market price may be appropriate for external, non-federal users. May charge external users more than the calculated rate and the excess can be moved to a reserve account for replacement of equipment. (May not charge lower rates) F&A can also be included for external users. This excess is excluded from rate adjustments.
- If grants are not to be charged, a waiver must be signed every two years stating that by WEMC 10.3(t)(s)-3.5(a)-2(a)-

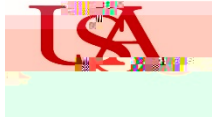
Service Center Accounting

- Once a Service Center is established, a distinct FOAPAL where all expenditures and revenues related to the center must be tracked.
- Also, if there is depreciation, another FOAPAL will be established to accumulate the portion of the rate attributed to depreciation expense for future equipment replacement.
- Activity Code “SRVCTR” should be used



Service Center Accounting

- Service Center accounts do not close at fiscal-year end
 - Surplus/Deficit carried forward from year to year
- Revenues should equal cost over time
- Price/Rate adjustments:
 - must take into consideration over/under recovery from a previous period
 - must exclude unallowable expenditures
 - must be adjusted as needed for new service center or when costs change



Compliance

- Rates should recover no more than the cost
- Rates must break even over time
- Rates must be reviewed and adjusted at least every two years (We will do a cost analysis every year)
- Rates must not discriminate against federally funded projects
- Surplus from service center shouldn't be used to fund unrelated activities
- Rates may include depreciation expense only, not the cost of the equipment
- Must maintain published price list



Compliance

- Transfers can only be made for the amount of accumulated depreciation or for the amounts charged to outside users in excess of the normal billing rates.

Grants & Contracts Accounting Staff

JulieSchwindt,AsstVP, Finance & Administration

Tammy Silcox,AsstDirector for Research Accounting

Lindsey Sheffield, Grants & Contracts Supervisor

Kim Dees, Grants Analyst III

Ward Duke, Grants Analyst III

Tiffany Drury, Grants Analyst II

Jonathan Bowden, Accountant I

