INSTRUCTIONS

STEP 1: SERVICE CENTER/RECHARGE OPERATION SINGLE AND MULTIPLE RATE REQUEST FORMS

HEADER SECTION

- **Service Center/Recharge Operation Name** - Enter the name of the service center/recharge operation.
- **Funds Center #** - Enter the 10-digit service center/recharge operation funds center number(s).
- **Service Center/Recharge Manager Name and Phone Number** – Enter the name and phone number of the service center/recharge operation manager.
- **Business Officer Name and Phone Number** - Enter the name and phone number of the business officer responsible for the fiscal matters in the service center/recharge operation Unit/Department.
- **Fiscal Area** – Enter the name of the fiscal area (President, EVPFA, Provost, Research or UK HealthCare).
- **Dept. #** - Enter the 5-digit department number of the service center/recharge operation funds center.

SECTION I – RATE DEVELOPMENT

- **Rate Effective Period** – Enter the date range for each period in which the rate(s) is effective. (e.g. 7/1/2018 - 6/30/2019)
- **Current Period Annual Estimated Cost**
  a. Include the costs from the last approved rate sheets (most cases, previous fiscal year).
  b. For rate changes during a fiscal year - Use the costs from the previously approved rate sheets.
- **Proposed Period Annual Estimated Cost**
  a. **Expenditures**
    i. **Personnel (Salaries)** - Enter the position title, position number and the estimated salary associated with all personnel involved in the operations of the service center/recharge operation. (If there are numerous positions, attach an excel spreadsheet listing this detail and enter totals only on the worksheet.)
    ii. **Fringe Benefits** – Enter total estimated fringe benefits associated with the estimated salaries of the personnel. (During the budget process only, to determine the benefits amount run the PBF Budget Expense Estimate report for the position then enter this total on the form).
  iii. **Current Expense**
    1. Operating – Enter all estimated current expense costs associated with operating the service center/recharge operation. Include mandatory transfers in this category.
       a. Operating expenses should exclude CNS Converged fees for all service centers who currently charge grants or have the intention to charge grants.
2. Depreciation Expense - Enter the estimated amount of annual depreciation (if applicable).
3. Carryforward Deficit - Enter estimated deficit carryforward as a **positive number**. This amount will increase the calculated rate.

- **Carryforward (Surplus)** – Enter estimated surplus carryforward as a **negative number**. This amount will reduce the calculated rate.
- **Subsidy** – Enter the amount of general fund and/or non-general fund subsidy to be provided by another unit as a **negative number**. This will reduce the calculated rate.
  a. Subsidy must be included if there is an agreement in place for funding support.
  b. If there is subsidy, please provide an account number(s).
- **Total for Rate Calculation** – Calculated column.
- **Units of Output** – Enter the amount of billable occurrences. Provide backup explaining how the units of output was determined.
- **Calculated Rate Per Unit** – Total of Rate Calculation divided by the Units of Output.
- **Billing Rate Internal and External** – Enter the dollar amount that you propose to charge customers. (Note: Internal customers cannot be billed higher than the calculated rate.)
- **Funds Center(s) providing subsidy** – Enter the 10-digit cost object providing the subsidy. Do not enter a dollar amount. If more lines are needed attach a list.

**RATE DEVELOPMENT APPROVAL**

- Obtain the service center manager’s (SCM) or recharge operation manager’s signature

**SECTION II – BUDGET DEVELOPMENT**

- **Rate Effective Period** – Enter the date range for each period in which the rate(s) is effective. (e.g. 7/1/2018 - 6/30/2019)
- **Current Period Annual Budget**
  a. Leave blank if rates are being created during the budget development process for the new Fiscal Year.
  b. For rate changes during a fiscal year - Use the last current approved rate information to complete.
- **Proposed Period Annual Budget**
  a. **Expenditures** – Enter the budget for Personnel, Fringe Benefits, Current Expenses (Operating Expenses, Depreciation and Carryforward Deficit) and Surplus (if applicable) based on the amounts in Section I - Rate Development. (Note – If the service center is subsidized with funds from the general fund, the budget placed on this form must be reduced by the amount of the general fund subsidy. This is because the general fund expense base must appear in the general fund. If the subsidy is not from the general fund then the budget must reflect the subsidy.
  b. **Available Funds** - (Enter the absolute value of amounts in this section.)
    i. **External Income**– Enter the budget associated with the income from external users.
ii. **Non-GF Subsidy** – Enter the budget associated with the Non-general Fund subsidy.

iii. **Carryforward Surplus** – Enter the amount of surplus carried forward from the prior fiscal year.

c. **Recharges** *(Enter the absolute value of amounts in this section.)*

i. **Personnel** – Enter the personnel budget from Section II Budget Development (see above).

ii. **Benefits** – Enter the benefits budget from Section II Budget Development (see above).

iii. **Current Expense** - Enter the current expense budget from Section II Budget Development (see above). (Reduce this amount by income from external users, non-general fund subsidy and carryforward surplus, if applicable). If available current expense budget is insufficient, reduce personnel and benefits as needed.

**ALL OTHER FIELDS NOT REFERENCED IN THE INSTRUCTIONS WILL SELF-POPULATE**

**BUDGET DEVELOPMENT APPROVAL**

- Obtain the Business Officer’s signature

**REQUIRED DOCUMENTATION**

1. Completed Single or Multiple Rates (if applicable) Form(s) for each service center or recharge operation.

2. Attach BW Expense report by commitment item showing the previous fiscal year activity.

**STEP 3: ROUTING AND RATE APPROVAL**

1. Service center managers (SCM) send completed rate forms to Business Officer (BO).

2. **During the budget development process ONLY**, BO’s enter budget into PBF as stated in Section II of the Single or Multiple Rate Request Form. **Changes made during the fiscal year, proceed to step three.**

3. Send service center/recharge operation single and/or multiple form(s) and all other required documentation to Research Financial Services (RFS). A submission is deemed complete if it contains all of the following:
   i. Single Rate Form
   ii. Multiple Rate Sheet (if applicable)
   iii. Supplemental Documentation
   iv. Location (including building name and room numbers) where service center activities take place

4. RFS approves rates

5. RFS sends approved forms to SCM, BO and AFO.
6. **a) During the budget development process ONLY** – When RFS returns the approved rate form(s) the AFO’s ensure that the budget as stated in Section II of the Rate Request form matches amounts in SAP.
   I. If budget matches, AFO signs form and retains for records
   II. If budget does not match, AFO:
       • works with Business Officer to prepare a budget revision and routes the budget revision and approved form to UBO through the SAP workplace

**b) Changes made during the fiscal year** – BO prepares a budget revision and routes with the service center/recharge operation form to the AFO through the SAP workplace. AFO reviews and submits the budget revision and approved rate form to UBO through the SAP workplace.

7. UBO reviews and posts the budget revision document.
Rate Development Illustrations

Example A. Projected Operating Costs of a Service Center - Comparison of Consumption and Output Approaches:

<table>
<thead>
<tr>
<th>Total Departmental Costs</th>
<th>% Related to Service Center**</th>
<th>Cost Allocable to Service Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$600,000</td>
<td>20</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>60,000</td>
<td>20</td>
</tr>
<tr>
<td>Supplies</td>
<td>25,000</td>
<td>100</td>
</tr>
<tr>
<td>Materials</td>
<td>60,000</td>
<td>100</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,000</td>
<td>100</td>
</tr>
<tr>
<td>Depreciation</td>
<td>15,000</td>
<td>100</td>
</tr>
<tr>
<td>Prior Year (Surplus)/Deficit</td>
<td>(10,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$785,000</td>
<td></td>
</tr>
</tbody>
</table>

* Assume this service center could be either a machine shop or a printing center.
** All service center costs should be included in a separate account. If a recharge operation remains in the departmental account, it should be allocated as demonstrated above, with a budget family of 23.

CONSUMPTION APPROACH:

Machine Shop

Forecasted Machinist Hours:

- 40 Hours/Week * 52 Weeks = 2,080 Hours/Year
- # of Machinists: 2 * 2,080 = 4,160 Total Hours
- Down Time (Vacation, Sick, etc.) = 350 Hours
- Billable Hours = 3,810 Hours

Consumption Rate = $233,000 Total Cost / 3,810 Billable Hours = $61.16/Hours

OUTPUT APPROACH:

Print Shop

Estimated Output:

- Total Pages Printed = 1,000,000
- Unit Cost Rate = $233,000 Total Cost / 1,000,000 Pages = $.23/Page

Note: It is important for the activity base chosen to relate directly with what drives costs. For example, establishing a printing rate based on hourly use would not accurately distribute the costs of paper, ink and...
Appendix 4

Service Center and Recharge Operations

other supplies. These costs directly relate to the amount of printing output. In addition, measuring the usage hours of printing activity would be difficult and printing achieved each hour could vary greatly.