

University of Kentucky Service Centers and Recharge Operations-Rate and Budget Development

Research Financial Services
University Budget Office



Purpose

- This presentation is intended to provide guidance for service centers and recharge operations for consistency in rate and budget development.

Objectives

- Discuss Cost Accounting Standards
- Identify and explain the differences between a service center and recharge operation
- Discuss the Roles and Responsibilities with Rate Development
- Explain the requirements for a renewal rate submission annually.
- Discuss the components of the rate-what expenses are allowed to be included
- Discuss the rate approval process
- Discuss the deadlines for submission
- Discuss Budget Development and Routing

Cost Accounting Standards

- Service Centers and Recharges Operation rate development is based upon Cost Accounting Standards (CAS) which will be referenced throughout this class.
- All service center activities can impact grants whether directly or indirectly, and therefore are required to comply with cost principals and Cost Accounting Standards.
- These standards are designed to achieve uniformity and consistency in the cost accounting practices governing measurement, assignment and allocation of costs to Federal Grants and contracts.
- For expenses to be included in rate development, the expenses must be all of the following:
 - Consistent- means that this 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

Cost Accounting Standards

- The University of Kentucky is required to comply with four main cost accounting principles:
 - CAS 501- Consistency in Estimating, Accumulating and Reporting Costs for Educational Institutions
 - CAS 502- Consistency in Allocating Costs for the Same Purpose for Educational Institutions
 - CAS 505- Accounting for Unallowable Costs
 - CAS 506- Cost Accounting Period for Educational Institutions
- The University publishes the CASB DS-2 and revises as necessary.
 - This details out how costs are treated at our institution.
 - There is an entire section in the DS-2 that describes service centers and the way they are treated institutionally.

Service Centers and Recharge Operations

- The University of Kentucky provides a framework for the fiscal operations of service centers and recharge operations in order to assure compliance with accounting principles and government regulations.
- Service Centers and Recharge operations are departmental units that provide goods or services for a fee.
- There are different classifications of these types of organizations dependent upon the expenses associated with production of the goods and services.
- Service Centers and Recharge Operations are required to follow Cost Accounting Standards.
- You can review the policies and procedures in Appendix 4 of the Business Procedures Manual.

Service Center versus Recharge Operations

- Service Centers

	Minor Service Center	Major Service Center
Annual Direct Costs	\$50,000 to \$500,000	Greater than \$500,000
Requires Service Center Account	Yes	Yes
Direct Costs for Rate Calculation	Yes	Yes
Equipment Depreciation For Rate Calculation	Yes	Yes

- Recharge Operations

	Recharge Operation
Annual Direct Costs	Under \$50,000
Requires Service Center Account	No
Direct Costs for Rate Calculation	Yes
Equipment Depreciation For Rate Calculation	No

Roles and Responsibilities

- Service Center policy provides a detailed look at what the expectation are for roles involved in the service center process.
 - Service Center Managers
 - Responsible for day to day activities, monitor operation and take corrective actions
 - Prepare a schedule of rates.
 - Document year to date actual data.
 - Review the notifications from RFS in relation to surplus/deficits and take action as necessary.
 - Review the financial results with respect to the break even at year end and adjust future rates for over recoveries (surplus) and under recoveries (deficits)
 - Notify plant assets so depreciation is captured accurately
 - Application of rates uniformly to all customers
 - Reconcile service center equipment on an annual basis and specify federal funded equipment.
 - Bill customers timely and accurately; control and reconcile receivables.
 - Maintain records with the procedures set forth in service center policy.

- Central Offices (RFS, UBO and AFOs)

- Approve all requests to establish new service centers/recharge operations and rate changes and review for accuracy, completeness and compliance with Cost Accounting Standards.
- Review and approve all proposed future fiscal year service center/recharge operation rates as part of the income and recharge estimates during the budget process.
- Monitor expenditures for appropriateness and that the approved billing rates are being used.
- Monitor service center balances periodically and notify the service center manager when the balance is not within the +/- 10% threshold.
- Assure support, in conjunction with the service center/recharge operation manager, for timely processing of JVs to properly account for the breakeven and service center's activity during the fiscal year period.
- Review closure documentation when an area requests that a service center be eliminated.
- Return surpluses generated within the service centers to the respective areas as part of the annual fund balance process.
- Ensure appropriate record retention.

Renewal Rate Sheet Submission

- A new submission is required for each fiscal year.
- Priority will be given for complete packets received by the deadline in the RFS office.
- A complete submission should include:
 - Single Rate Form (aka Summary Form)- Both Signed and Excel Forms
 - Multiple Rate Form (if applicable)-Both Signed and Excel Forms
 - Supplemental Documentation (including a list of proposed expenses associated with the service center/recharge operation)
 - Location of the activity (including building name and room numbers where activities take place)



Single Rate Form

- The Single Rate Form (also known as the Summary Rate Form) is required for all renewal rate submissions and should total all of the expenses for producing the goods or services.
- If there is more than one good or service provided, the information on the Summary Form should be totals from the multiple rate sheet(s).

ATTACHMENT

**UNIVERSITY OF KENTUCKY
SERVICE CENTER RECHARGE OPERATION SINGLE RATE REQUEST FORM**

Service Center/Recharge Operation Name: _____ Funded Center # _____
 Site Code/Recharge Manager Name: _____ Phone # _____
 Business Center Name: _____ Phone # _____
 Fiscal Area: _____ Dept. # _____

SECTION I - RATE DEVELOPMENT

Data Element/Period	Data Range		Change	Explanation or Change in	
	Current Period	Proposed Period			
	Annual Estimated Cost	Annual Estimated Cost	Dollar	Percent	
Expenditures					
Recharge/Rate/Recharge #					
See Attached			-		
Charge Benefits			-		
Current Expenses			-		
Operating Expenses/Maintenance			-		
Depreciation Expenses			-		
Carryover/Unsettled			-		
Carryover/Unsettled			-		
Subsidy			-		
External Fund			-		
Nongeneral Fund			-		
Total Subsidy			-		
Total for Rate Calculation					
Units of Output					
Calculated Rate per Unit					
Living Rate Internal					
Living Rate External					
Subsidy - Enter Funds Center Account Number(s) - Do not enter an amount.					
External Fund					
Nongeneral Fund					
RATE DEVELOPMENT APPROVAL					
Service Center Manager: _____	Research Financial Services				
Data Element/Period	Commitment Item	Data Range		Change	Percent
		Current Period	Proposed Period		
		Annual Budget	Annual Budget	Dollar	Percent
Expenditures					
Recharge/Rate	510000			-	
Charge Benefits	520000			-	
Current Expenses				-	
Operating Exp	520000			-	
Depreciation	150000			-	
Carryover/Unsettled	520021			-	
Total Expenditures Budget					
Available Funds					
External Income	400000			-	
Non GR Subsidy	700000			-	
Carryover/Unsettled	420021			-	
Recharge				-	
Nongeneral	810000			-	
Benefits	820000			-	
Current Expenses	820000			-	
Total Available Funds		\$ -	\$ -		
BUDGET DEVELOPMENT APPROVAL					
Business Director: _____	Area Fiscal Director: _____				

Components of the Rate

- Rates should include ALL costs associated with producing the goods or services provided.
- Direct Costs may include:
 - Personnel Costs-salaries associated with any faculty, administrative support and staff that work within the service center.
 - Fringe Benefits- Benefits that are associated with the faculty, administrative support and staff paid from the service center.
 - Supplies and Expenses-costs of material and supplies needed to operate the service center
 - Inventory costs-not in excess of \$50,000
 - Other expenses-minor equipment, rental/service contracts, conferences/travel, professional services, credit card processing fees etc.
- Indirect Costs can be included:
 - Depreciation is allowed for both minor and major service centers
 - Operation and Maintenance costs-only allowable to major service centers

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 unallocable 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 generally allowable may be questionable in 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
 - Relocation costs
 - Recruitment costs

Development of the Rate

- Include all expenses related to the production of goods or services.
 - Do not exclude expenses because of concerns with rates being set too high.
 - Only exclude expenses that are unallowable.
 - Input the total of all expenses into the correct categories on the Summary Form (Single Rate Form)
 - Expenditures:
 - Position Title, Position #-Can include separate spreadsheet with totals (include for the last approved period in the left column and current period in the right column for all expenses in the Rate Development Section)
 - Fringe Benefits-total for all positions paid from the service center
 - Current Expenses
 - » Operating Expenses-Include **ALL** costs associated with the activity
 - » Depreciation Expense-Only if service center
 - » Carryforward Deficit-use an estimate for submissions prior to June 30
 - » Subsidy-Enter as a negative number to reduce expenses. Include the account number.

Development of the Rate

- Units of Output- Total the units of output for all services to include on the Summary Form (if you use a multiple rate form)
 - Units of Output should be a specific unit of measure (not limited to the following)
 - » Hours
 - » Days
 - » Procedures
 - » Slides
 - » Tests to be completed
- Units of output should be reasonable and something supported by the service center activity
- Number on the Summary Form should match total on Multiple Rate form (if applicable)
- Do not modify the formulas in the spreadsheet.
- The internal billing rate should never be higher than the calculated billing rate.

Multiple rates

- Label the columns for the rates so that we can compare invoices submitted to JVs for processing.
- Same rules apply to the costs associated with each good or service as with the Summary (Single) Rate form.
- Make sure to enter the summary data from the previous year in the left hand column.
- Separate out salary and fringe-Please note that you can attach additional documentation with all of the positions associated with the service center instead of listing on the form.
- Include the total current expenses, depreciation costs and carryforward deficit for each service in the appropriate column.
- Include subsidy as a negative number. This will reduce the calculated rate.
- Input the units of output for each good/service.
- Enter the Internal and External Billing rates. (Internal Rates cannot be higher than the calculated rate)

Multiple Rates

- You can use more than one multiple rate sheet to have enough columns for all of the rates in the service center/recharge operation.
- If using several multiple rate sheets, please make sure that all of the totals are on the summary form. Totals from the right column on the multiple rate form should match what is on the summary form.
- Make sure to provide any supplemental information that will help RFS to review the information-the more information we have the fewer questions we will have for you.
- If you are using “Productive Hours” as a method of calculating the units of output, please make sure to provide that calculation.

Activity

- Service Center A is a research based service center, with the following expenses:
 - Salaries \$40,608
 - Fringe Benefits \$1461.89
 - Gloves, Tubes, Syringes, Slides and Saline Solution \$9,340.38
 - Prior Year Carryforward Surplus \$2,374.62
 - Depreciation \$1750
 - CNS Converged Fees \$720
 - Total units expected to be produced 425 tests
- Assume, they produce only one service-what should the rate be?

Answer

- If the service center charges grants, CNS converged fee is not allocable and not to be included in the calculation:
 - If charging grants total expenses \$50,785.65 with a rate of \$119.50
 - If not charging grants, total expenses \$51,505.65 with a rate of \$121.19.
- Service centers can round their rates down, but not up-remember internal billing rates cannot exceed the calculated billing rate.

Renewal Rate Review by RFS

- Renewal rate submissions are required annually for all service centers/recharge operations that will continue for the Fiscal Year.
- Renewal Rates should be submitted to RFS by 6/30 each fiscal year. Priority will be given to complete submissions.
- Main items reviewed in Rate Development Section include:
 - Is the previously approved information is included in the left column.
 - Review the changes in the salaries and fringe. Look to see if adjusted for the merit increases or new positions added.
 - Review of the Depreciation expenses-is this in line with previous submissions? New equipment added in previous fiscal year?
 - Current expenses-Are expenses are consistent, allocable and appropriate to the service center/recharge operation?
 - Is the prior year fund balance is included? (Surplus would be negative, deficit would be positive and would affect rates)
 - Policy states “A surplus within 10% range must be applied to the following year’s rate calculation so the operation will break even over time. A deficit within the 10% range may either be carried forward or subsidized by non-federal sources”. See Appendix 4.
 - Review the units of output calculation
 - Have formulas been changed?
 - Internal billing rate is not greater than the calculated rate

Renewal Rate Review by RFS

- If subsidy funding is listed, what is the funding source? Is that provided on the rate sheets? Has the service center been historically subsidized? To what extent?
 - If the subsidy is coming from a grant, this requires RFS to review the grant documents, and requires further involvement from OSPA.
 - Ultimately, the goal of a service center is to not require subsidy, however, in some instances RFS recognizes that may not be feasible.
- Review to make sure that the rates for one service are not subsidizing another (Rate A is set lower to attract customers but Rate B is higher to accommodate the reduction in Rate A)
- Are the rates are consistent, appropriate, and allocable by reviewing the costing methods and comparing to the Cost Accounting Standards?
- Review does include looking at historical recovery rates over a 3 year period to make sure that the service center is working toward the goal of breaking even.

Renewal Rate Submissions

- Review may also include additional details about the nature of the business activities that are being performed.
 - Certain business functions can be subject to Unrelated Business Income Tax. Identifications of these types of services requires involvement from Accounting and Financial Reporting Services (AFRS) in order to make sure we are compliant with IRS regulations and guidelines.
 - Additionally, collection of data about the location of the service centers/recharge operations due to potential implications to tax exempt bond funded buildings.
- Expect questions about expenses, locations, and allocation methods. This is just to ensure that we are meeting all of the requirements of the prescribed Federal guidelines and Cost Accounting Standards.

Budget Development Process

- During the budget development process, you only need to complete the Proposed Period Annual Budget Column

SECTION II - BUDGET DEVELOPMENT					
		Date Range			
Rate Effective Period:		Current Period	Proposed Period		
Expenditures	Commitment Item	Annual Budget	Annual Budget	Change Dollar	Change Percent
Personnel	51XXXX			-	
Fringe Benefits	52XXXX			-	
<i>Current Expenses</i>					
Operating Exp	53XXXX			-	
Depreciation	755020			-	
Carryfrwd Deficit	580021			-	
Total Expenditure Budget		-	-	-	
Available Funds					
External Income	4XXXXX			-	
Non GF Subsidy	74XXXX			-	
Carryforward/Surplus	480021			-	
Recharges					
Personnel	610000			-	
Benefits	620000			-	
Current Expense	630000			-	
Total Available Funds		\$ -	\$ -	-	

- For budget changes during the year, complete both the Current Period and the Proposed Period Annual Budget columns.

SECTION II - BUDGET DEVELOPMENT						
Rate Effective Period:	Commitment Item	Date Range		Change		
		Current Period	Proposed Period	Dollar	Percent	
		Annual Budget	Annual Budget			
Expenditures						
<i>Personnel</i>	51XXXX					-
<i>Fringe Benefits</i>	52XXXX					-
<i>Current Expenses</i>						
Operating Exp	53XXXX					-
Depreciation	755020					-
Carryfrwd Deficil	580021					-
Total Expenditure Budget		-	-	-		
Available Funds						
External Income	4XXXXX					-
Non GF Subsidy	74XXXX					-
Carryforward/Surplus	480021					-
Recharges						
Personnel	610000					-
Benefits	620000					-
Current Expense	630000					-
Total Available Funds		\$ -	\$ -			-

- Total expenditure budget must equal total available funds budget.

SECTION II - BUDGET DEVELOPMENT						
		Date Range				
Rate Effective Period:		Current Period	Proposed Period			
		Commitment	Annual	Annual	Change	
Expenditures	Item	Budget	Budget	Dollar	Percent	
<i>Personnel</i>	51XXXX			-		
<i>Fringe Benefits</i>	52XXXX			-		
<i>Current Expenses</i>						
Operating Exp	53XXXX			-		
Depreciation	755020			-		
Carryfrwd Defici	580021			-		
Total Expenditure Budget		-	-	-		
<i>Available Funds</i>						
External Income	4XXXXX			-		
Non GF Subsidy	74XXXX			-		
Carryforward/Surplus	480021			-		
<i>Recharges</i>						
Personnel	610000			-		
Benefits	620000			-		
Current Expense	630000			-		
Total Available Funds		\$ -	\$ -	-		

- Information in the rate development section is used to complete the budget development section.

Example 1: Recharge Funds Only

ATTACHMENT VI

UNIVERSITY OF KENTUCKY SERVICE CENTER/RECHARGE OPERATION SINGLE RATE REQUEST FORM

Service Center/Recharge Operation Name:

Service Center Recharge Only

Funds Center # 10438XXXX1

Srvc Ctr/Recharge Manager Name:

Mr. Jones

Phone #: 7-1234

Business Officer Name:

Mr. Smith

Phone #: 7-5698

Fiscal Area:

EVPFA

Dept. #: 3XXXX

Example 1-Recharge Funds Only Rate Development

SECTION I - RATE DEVELOPMENT						
Rate Effective Period:	Date Range		Change		Explanations for Changes in	
	Current Period	Proposed Period	Dollar	Percent		
	Annual Estimated Cost	Annual Estimated Cost			Both Dollars and Percent	
Expenditures						
<i>Position Tit. Position #</i>						
See Attached	284,500.00	297,600.00	13,100.00	4.60%		
<i>Fringe Benefits</i>	96,750.00	98,200.00	1,450.00	1.50%		
<i>Current Expenses</i>						
<i>Operating Expenses/Mand transfers</i>	945,000.00	1,000,000.00	55,000.00	5.82%		
<i>Depreciation Expense</i>	500,000.00	500,000.00	-	0.00%		
<i>Carryforward Deficit</i>			-			
<i>Carryforward (Surplus)</i>			-			
<i>Subsidy</i>						
<i>General Fund</i>			-			
<i>Non-general Fund</i>			-			
<i>Total Subsidy</i>	-	-	-			
Total for Rate Calculation	1,826,250.00	1,895,800.00	69,550.00	3.81%		
<i>Units of Output</i>	7,500.000	8,000.000	500.00	6.67%		
<i>Calculated Rate Per Unit</i>	<i>243.500</i>	<i>236.975</i>	(6.525)	-2.68%		
<i>Billing Rate Internal</i>	<i>243.500</i>	<i>236.975</i>	(6.53)	-2.68%		
<i>Billing Rate External</i>			-			
<i>Subsidy - Enter Funds Center Account Number(s) - Do not enter an amount.</i>						
<i>General fund</i>						
<i>Non-general fund</i>						

Example 1- Recharge Funds Budget Development

SECTION II - BUDGET DEVELOPMENT						
Date Range						
Rate Effective Period:		Current Period	Proposed Period			
		7/1/2017	7/1/2018-6/30/2019			
Expenditures	Commitment	Annual	Annual	Change		
	Item	Budget	Budget	Dollar	Percent	
<i>Personnel</i>	51XXXX		297,600.00	297,600.00		
<i>Fringe Benefits</i>	52XXXX		98,200.00	98,200.00		
<i>Current Expenses</i>						
Operating Exp	53XXXX		1,000,000.00	1,000,000.00		
Depreciation	755020		500,000.00	500,000.00		
Carryfrwd Deficit	580021			-		
Total Expenditure Budget		-	1,895,800.00	1,895,800.00		
Available Funds						
External Income	4XXXXX			-		
Non GF Subsidy	74XXXX			-		
Carryforward/Surplus	480021			-		
Recharges						
Personnel	610000		297,600.00	297,600.00		
Benefits	620000		98,200.00	98,200.00		
Current Expense	630000		1,500,000.00	1,500,000.00		
				-		
Total Available Funds		\$ -	\$ 1,895,800.00	1,895,800.00		

Example 2-External Income Funds

UNIVERSITY OF KENTUCKY
SERVICE CENTER BUDGET PREPARATION BUDGET RATE REQUEST FORM

ATTACHMENT 4

Service Center/Charge/Operation Name: Service Center External Income Fund Center # 100-200-0000

Unit Director/Manager Name: Dr. Jones Phone # 773-234

Business Office Name: Dr. Smith Phone # 770-233

Fiscal Year: 2024 Dept. # 00000

SERVICE CENTER BUDGET PREPARATION

Line Item Description	Unit Budget		Change	Percent	Explanation for Change
	Current Period T-12/27 T-12/31/23	Proposed Period T-12/27 T-12/31/24			
	Actual	Actual			
	Estimated	Estimated			
	Cost	Cost	Udollar	Percent	By % Udollar and Percent
Expenses					
Product Line Position A					
See Attached	250,000.00	250,000.00	1.51	4.82%	
Personnel	98,750.00	98,750.00	1.56	1.52%	
Current Expenses					
Operating Expenses/Market Surplus	940,000.00	1,000,000.00	550,000.00	5.27%	
Management Expenses	500,000.00	500,000.00	-	0.00%	
Carryover/Market	-	-	-	-	
Carryover/Market	-	-	-	-	
Subtotal	-	-	-	-	
Subtotal/Dept	-	-	-	-	
Nongeneral Fund	-	-	-	-	
Subtotal	-	-	-	-	
Total Available Calculation	1,204,250.00	1,250,000.00	850,000.00	33.1%	
Units of Output	1,200,000	1,000,000	500.00	8.3%	
Calculated Rate Per Unit	241.30	235.00	(6.30)	-2.6%	
Billing Rate Interval	241.30	235.00	(6.30)	-2.6%	
Billing Rate Interval	235.00	235.00	-	0.0%	
Subtotal - Other Agency Code Account Number(s) - Do not attach amount					
Subtotal					
Nongeneral Fund					
TOTAL BUDGET DIVISION APPROVAL					
Line Item Description	Unit Budget		Change	Percent	Explanation for Change
	Current Period T-12/27 T-12/31/23	Proposed Period T-12/27 T-12/31/24			
	Actual	Actual			
	Estimated	Estimated			
	Item	Budget	Budget	Udollar	Percent
Expenses					
Personnel	50,000.00	250,000.00	200,000.00	20.00%	
Personnel	300,000.00	300,000.00	-	0.00%	
Current Expenses					
Operating Exp	500,000.00	1,000,000.00	1,000,000.00	10.00%	
Management	500,000.00	500,000.00	-	0.00%	
Carryover/Market	500,000.00	-	-	-	
Total Expenses Budget	-	1,250,000.00	1,250,000.00		
Available Funds					
Internal Income	400,000.00	50,000.00	(350,000.00)	-87.50%	
Non-CP - Subsidy	100,000.00	-	-	-	
Carryover/Market	400,000.00	-	-	-	
Net Change					
Internal	800,000.00	250,000.00	(550,000.00)	-68.75%	
Market	800,000.00	50,000.00	(750,000.00)	-93.75%	
Current Expenses	800,000.00	1,000,000.00	1,000,000.00	125.00%	
Total Available Funds	\$ -	\$ 2,915,000.00	1,250,000.00		
BUDGET DIVISION APPROVAL					

Example 2-External Income Funds

ATTACHMENT VI

UNIVERSITY OF KENTUCKY SERVICE CENTER/RECHARGE OPERATION SINGLE RATE REQUEST FORM

Service Center/Recharge Operation Name:

Service Center External Income

Funds Center # 10438XXXX2

Srvc Ctr/Recharge Manager Name:

Mr. Jones

Phone #: 7-1234

Business Officer Name:

Mr. Smith

Phone #: 7-5698

Fiscal Area:

EVPFA

Dept. #: 3XXXX

Example 2-External Income Rate Development

SECTION I - RATE DEVELOPMENT						
Rate Effective Period:	Date Range		Change		Explanations for Changes in	
	Current Period	Proposed Period	Dollar	Percent		
	Annual Estimated Cost	Annual Estimated Cost			Both Dollars and Percent	
Expenditures						
<i>Position Tit. Position #</i>						
See Attached	284,500.00	297,600.00	13,100.00	4.60%		
<i>Fringe Benefits</i>	96,750.00	98,200.00	1,450.00	1.50%		
<i>Current Expenses</i>						
<i>Operating Expenses/Mand transfers</i>	945,000.00	1,000,000.00	55,000.00	5.82%		
Depreciation Expense	500,000.00	500,000.00	-	0.00%		
Carryforward Deficit			-			
<i>Carryforward (Surplus)</i>			-			
<i>Subsidy</i>						
<i>General Fund</i>			-			
<i>Non-general Fund</i>			-			
<i>Total Subsidy</i>	-	-	-			
Total for Rate Calculation	1,826,250.00	1,895,800.00	69,550.00	3.81%		
<i>Units of Output</i>	7,500.000	8,000.000	500.00	6.67%		
<i>Calculated Rate Per Unit</i>	243.500	236.975	(6.525)	-2.68%		
<i>Billing Rate Internal</i>	243.500	236.975	(6.53)	-2.68%		
<i>Billing Rate External</i>	250.00	250.000	-	0.00%		
<i>Subsidy - Enter Funds Center Account Number(s) - Do not enter an amount.</i>						
<i>General fund</i>						
<i>Non-general fund</i>						

Example 2-External Income Budget Development

SECTION II - BUDGET DEVELOPMENT					
		Date Range			
Rate Effective Period:		Current Period	Proposed Period		
			7/1/2018-6/30/2019		
Expenditures	Commitment Item	Annual Budget	Annual Budget	Change Dollar	Change Percent
<i>Personnel</i>	51XXXX		297,600.00	297,600.00	
<i>Fringe Benefits</i>	52XXXX		98,200.00	98,200.00	
<i>Current Expenses</i>					
Operating Exp	53XXXX		1,000,000.00	1,000,000.00	
Depreciation	755020		500,000.00	500,000.00	
Carryfrwd Deficit	580021			-	
Total Expenditure Budget		-	1,895,800.00	1,895,800.00	
Available Funds					
External Income	4XXXXXX		50,000.00	50,000.00	
Non GF Subsidy	74XXXX			-	
Carryforward/Surplus	480021			-	
Recharges					
Personnel	610000		297,600.00	297,600.00	
Benefits	620000		98,200.00	98,200.00	
Current Expense	630000		1,450,000.00	1,450,000.00	
Total Available Funds		\$ -	\$ 1,895,800.00	1,895,800.00	

Example 3-Carryforward Deficit

UNIVERSITY OF KENTUCKY
SERVICE CENTER OPERATION BUDGET RATE REQUEST FORM

ATTACHMENT A

Service Center/Exchange Operation Name: Service Center Carryforward Deficit Fund/Center # 100-000000

Unit Chief/Exchange/Requester Name: Ms. Jones Phone # 50234

Business Office Name: Ms. Smith Phone # 5000

Facial Area: EVPA Dept. # 0000

SECTION 1 - FUND/DEPARTMENT

Line Item/Account Name	Unit/Range		Change	Percent	Explanation for Change/Item
	Current Period T-1/01-12/31/2019	Proposed Period T-2/01-12/31/20			
	Actual	Actual			
Supplies/Services					
Production/Production A					
See Attached	207,000.00	207,000.00	151,000.00	482%	
Personnel	30,000.00	30,000.00	15,000.00	150%	
Current Expenses					
Operating Expenses/Maint/Travel/Supplies	943,000.00	1,000,000.00	55,000.00	5.9%	
Equipment/Equipment	500,000.00	500,000.00	-	-	
Carryforward/Lump Sum	30,000.00	30,000.00	200,000.00	667%	
Carryforward/Residual					
Subtotal					
General Fund					
Non-General Fund					
Total Available Funds	7,204,200.00	7,215,000.00	10,800.00	0.1%	
Units of Deficit	1,300,000	1,300,000	3,000	0.2%	
Calculated Rate Per Unit	243.30	245.97	26.70	11%	
Billing Rate (Current)	243.30	245.97	26.7	11%	
Billing Rate (Proposed)					
Subtotal - Center/Agency/Center Account Number(s) - Do not include amount.					
General Fund					
Non-General Fund					

SECTION 2 - BUDGET/DEPARTMENT

Service Center/Exchange: _____ Research Financial Services

SECTION 3 - BUDGET/DEPARTMENT

Line Item/Account Name	Unit/Range		Change	Percent	Explanation for Change/Item
	Current Period T-1/01-12/31/2019	Proposed Period T-2/01-12/31/20			
	Actual	Actual			
Supplies/Services					
Personnel	30,000	30,000.00	20,000.00	200%	
Personnel Benefits	500,000	500,000.00	30,000.00	6%	
Current Expenses					
Operating Exp	300,000	1,000,000.00	1,000,000.00	333%	
Equipment	150,000	300,000.00	300,000.00	200%	
Carryforward/Lump Sum	500,000	30,000.00	200,000.00	40%	
Total Available Budget			1,570,000.00	171.00%	
Available Funds					
General Income	400,000				
Non-Op. Subsidy	100,000				
Carryforward/Residual	400,000				
Unallocated	800,000	207,000.00	207,000.00	26%	
State/Fed	800,000	30,000.00	50,000.00	6%	
Current Available	800,000	1,300,000.00	1,300,000.00	163%	
Total Available Funds			1,570,000.00	171.00%	

SECTION 4 - BUDGET/DEPARTMENT/APPROPRIATION

Business Office: _____ Area/Dept. Office: _____

Example 3- Carryforward Deficit

ATTACHMENT VI

UNIVERSITY OF KENTUCKY SERVICE CENTER/RECHARGE OPERATION SINGLE RATE REQUEST FORM

Service Center/Recharge Operation Name:

Service Center Carryforward Deficit

Funds Center # 10438XXXX3

Srvc Ctr/Recharge Manager Name:

Mr. Jones

Phone #: 7-1234

Business Officer Name:

Mr. Smith

Phone #: 7-5698

Fiscal Area:

EVPFA

Dept. #: 3XXXX

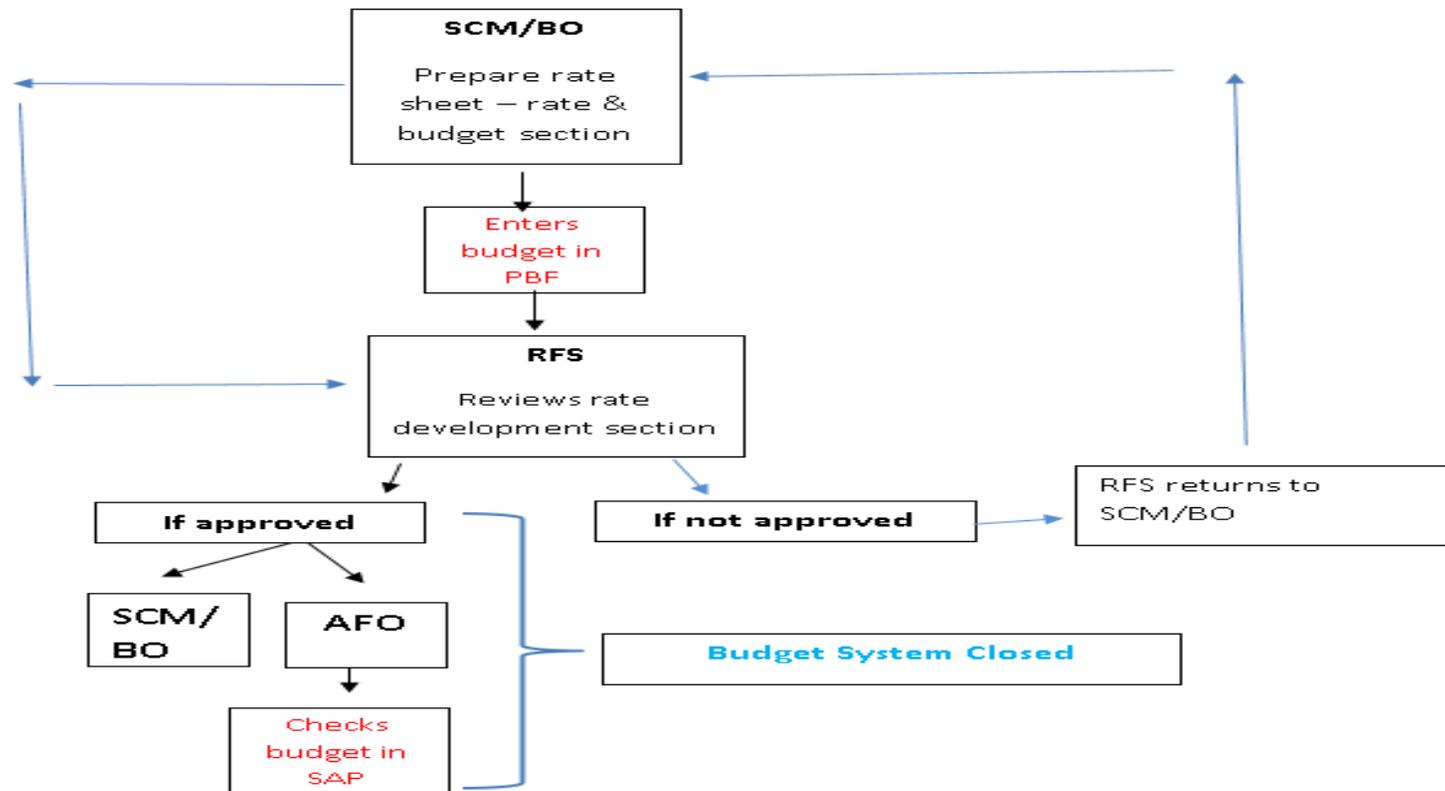
Example 3- Carryforward Deficit Rate Development

SECTION I - RATE DEVELOPMENT					
Rate Effective Period:	Date Range		Change		Explanations for Changes in
	Current Period	Proposed Period	Dollar	Percent	
	Annual Estimated Cost	Annual Estimated Cost			Both Dollars and Percent
Expenditures					
<i>Position Tit. Position #</i>					
See Attached	284,500.00	297,600.00	13,100.00	4.60%	
<i>Fringe Benefits</i>	96,750.00	98,200.00	1,450.00	1.50%	
<i>Current Expenses</i>					
<i>Operating Expenses/Mand transfers</i>	945,000.00	1,000,000.00	55,000.00	5.82%	
Depreciation Expense	500,000.00	500,000.00	-	0.00%	
Carryforward Deficit		80,000.00	80,000.00		
<i>Carryforward (Surplus)</i>			-		
<i>Subsidy</i>					
<i>General Fund</i>			-		
<i>Non-general Fund</i>			-		
<i>Total Subsidy</i>	-	-	-		
Total for Rate Calculation	1,826,250.00	1,975,800.00	149,550.00	8.19%	
<i>Units of Output</i>	7,500.000	8,000.000	500.00	6.67%	
<i>Calculated Rate Per Unit</i>	<i>243.500</i>	<i>246.975</i>	3.475	1.43%	
<i>Billing Rate Internal</i>	<i>243.500</i>	<i>246.975</i>	3.47	1.43%	
<i>Billing Rate External</i>			-		
<i>Subsidy - Enter Funds Center Account Number(s) - Do not enter an amount.</i>					
<i>General fund</i>					
<i>Non-general fund</i>					

Example 3-Carryforward Deficit Budget Development

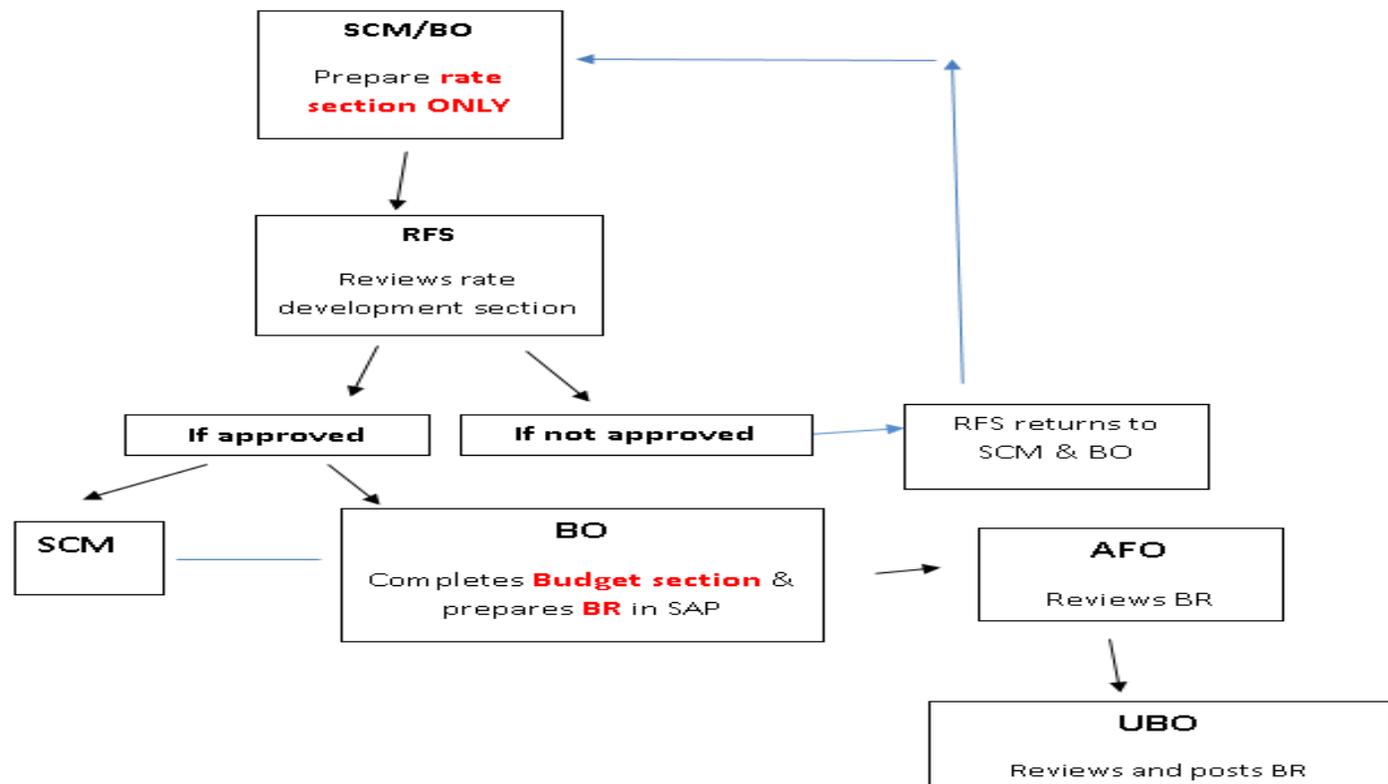
SECTION II - BUDGET DEVELOPMENT					
Date Range					
Rate Effective Period:		Current Period	Proposed Period		
			7/1/2018-6/30/2019		
Expenditures	Commitment	Annual	Annual	Change	
	Item	Budget	Budget	Dollar	Percent
<i>Personnel</i>	51XXXX		297,600.00	297,600.00	
<i>Fringe Benefits</i>	52XXXX		98,200.00	98,200.00	
<i>Current Expenses</i>					
Operating Exp	53XXXX		1,000,000.00	1,000,000.00	
Depreciation	755020		500,000.00	500,000.00	
Carryfrwd Deficit	580021		80,000.00	80,000.00	
Total Expenditure Budget		-	1,975,800.00	1,975,800.00	
Available Funds					
External Income	4XXXXXX			-	
Non GF Subsidy	74XXXX			-	
Carryforward/Surplus	480021			-	
Recharges					
Personnel	610000		297,600.00	297,600.00	
Benefits	620000		98,200.00	98,200.00	
Current Expense	630000		1,580,000.00	1,580,000.00	
Total Available Funds		\$ -	\$ 1,975,800.00	1,975,800.00	

Routing/Processing of Service Center and Recharge Operation Documentation during Budget Process



Key: SCM – Service Center Manager BO – Budget/Business Officer RFS – Research Financial Services
UBO – University Budget Office AFO – Area Fiscal Officer PBF – Public Budget Formulation

Routing/Processing of Service Center and Recharge Operations Documentation for Rate Changes during the year



Key: SCM – Service Center Manager BO – Budget/Business Officer RFS – Research Financial Services
UBO – University Budget Office AFO – Area Fiscal Officer

Service Center/Recharge Operations Forms

- Copies of the updated forms for Fiscal Year 2019 please visit:
 - <http://www.uky.edu/eforms/>
 - <http://www.uky.edu/ufs/payroll-confirmation-service-centers>
 - <http://www.uky.edu/ubo>

Questions? Comments?

- Thank you to everyone for attending this session and learning about the rate development and budgeting process for service centers.
- We value your feedback and input.
- We look forward to working with you in the upcoming year and through the rate development and budgeting process.