Facilities and Equipment Usage Fees

Determine Methodology to Calculate Internal and External Usage Rates

Internal Customers and Federal Government:
Depreciation OR Use Allowance method

- Depreciation Method Rate Calculation
  - Calculate adjusted FTE number of work hours per year—reduce number of FTE hours (2080) lost to vacation, sick leave, personal days and holiday hours
  - Calculate total instrument hours per year-estimated hours of staff and student operator
  - Calculate revised operator salary-Operator hourly rate x annual equipment item usage estimate
  - Multiply current fringe rate by revised operator salary
  - Determine direct cost-revised operator salary + fringe calculation
  - Determine depreciation-acquisition cost of equipment item divided by the number of years the item is expected to be useful
  - Calculate total cost-direct cost + the Depreciated value
  - Calculate internal non-approved user rate-Total cost / total instrument hours
  - Calculate internal approved user rate-Total cost minus revised operator salary and fringe /total instrument hours
  - Document methodology on rate spread sheet
  - List equipment items on rate spread sheet along with rate calculations

- Use Allowance Method Rate Calculation
  - Document methodology on rate spread sheet
  - Calculate internal use—50% reduction of external customer's direct cost.
  - List each equipment item on rate spread sheet along with rate calculation

- Send rate sheet to OSP for approval before first-time and annually thereafter.
  - Both internal and external rates sheets will be Processed by OSP within 2 weeks of receipt.

External Customers: Methodology established in Policy Memorandum III-51

- Use Allowance Method Rate Calculation
  - Document methodology on rate spread sheet
  - Calculate external use rates in accordance with Campus Policy Memorandum III-51
  - List each equipment item on rate spread sheet along with rate calculation

Things to Keep in mind:

Non-University work is defined as work that doesn't follow the process in which the university applies its normal indirect charges.

Must calculate rates on all equipment with an acquisition cost of $5,000 or greater.

Depreciation OR Use Allowance method at 50% reduction of external customer's direct cost rate must be used to calculate internal customer rates.

When calculating rates, acquisition cost is defined as cost of item less federal monies used to purchase.

If depreciation methodology is used to determine rates, methodology shall not be changed unless approved by cognizant Federal agency.

Must ensure Federal government is charged the lowest rate offered to customers. Therefore, use internal rate calculations for Federal government.

Annual analysis of rates must be accomplished to ensure recovery of only actual costs from internal customers.
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Revenue Process

Department will set up account by requesting new chartfield string

Revenue due to ongoing project?

YES
Set up account using 2199 Fund code (Program Income APM 60.60)
Send invoice to customer
Send copy of invoice to OSP

NO
Set up account using 0000 Fund code (Operating unrestricted)

Payment is received
Cash Receipt Report (CRR) prepared and deposit made

Revenue due to ongoing project?

YES
Deposit will be made to award Project and should be expended prior to Sponsor funding

NO
Deposit will be distributed in accordance with Policy Memo III-51

Things to Keep in Mind
OSP will ensure distribution, communication and tracking of revenue in accordance with Policy Memo III-51.

Departments must set up an operating budget for the purpose of operating service center.

Departments must set up reserve account for the purpose of funding enhancements to existing equipment or purchase new equipment which will be of direct benefit to either the piece of equipment which was the source or the facility with which it is associated.