

Service Centers Procedures

Service centers are units within CWRU departments that directly support the research or academic mission of the University and recover costs through charges to internal and external users. All service centers are expected to recover no more than the aggregate costs of their operations through charges to users. All service centers must be able to demonstrate compliance with federal requirements and cannot use fee structures that discriminate against federal and other funding sources.

Any school operating a service center (see definitions) with total operating revenue of \$50,000 or more per year must comply with these procedures. Service centers that do not meet the threshold are subject to school-level review at any time. This review may include, but is not limited to, evidence of strong financial oversight and continuous compliance monitoring. Central service units and other fee-for-service units are not covered here but must comply with the Uniform Guidance, other federal requirements, and all other relevant University policies. Approval is required from your school's finance office before establishing and operating a service center.

In addition to these procedures, numerous appendices were created to provide additional information for operating a service center. Appendix A-D were created by the School of Medicine and are standard operating procedures for the School of Medicine Core Facilities. These documents are listed below and cover best practices, setting user fees, iLab operations, and much more.

- Appendix A - CWRU Service Center Best Practices Handbook
- Appendix B - School of Medicine Core Facilities Best Practices Guidelines
- Appendix C - Core Facility Scenarios to Assist in Setting User Fees
- Appendix D - Billing Process for Cores in iLab

RESPONSIBILITIES

Core Director/Department Administrator responsibilities include:

- Initiate establishment of new service centers

Billing Rate: The amount charged to a user for a unit of service. Billing rates are normally computed by dividing the total annual costs of a service by the total number of billing units for the period. Internal billing rates must be equal to or less than external rates.

Billing Unit: The unit of service provided by a service center. Examples of billing units include hours of service, animal care days, tests performed, machine time used, etc.

Surplus: The amount of revenue generated by a service which exceeds the costs providing the service in a fiscal year.

Deficit: The amount that the costs of providing a service exceeds the revenue generated by the service in a fiscal year.

Direct Operating Costs: All allowable costs that can be directly identified with a service provided by a service center. These costs may include salaries, wages and fringe benefits of University faculty, staff and students directly involved in providing the service; materials and supplies; purchased services; travel expenses; and equipment rental.

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2. Rate Approval: Billing rates should be computed annually for the start of each fiscal year. Each rate needs to be approved annually by the service center's director and the management center, and biennially by the Controller's Office. The rates should be based on a reasonable estimate of the direct operating costs, and where applicable, indirect and other costs of providing the services for the year. These estimates can be determined through use of historical costs and billing units or projected costs

9. Subsidized Service Center: In some instances, the University, a school, or a department, may elect to subsidize the operations of a service center, either by charging billing rates that are intended to be lower than costs or by not making adjustments to future rates for a service center's deficit. Service center deficits from intentional subsidies up to 15% of the center's annual operating budget may be carried forward as adjustments to future billing rates. The service center or parent department must transfer funds to cover the deficit that is above 15% at the close of each fiscal year. Since subsidies can result in a loss of funds to the University, they should be provided only when there is a sound programmatic reason and approved by the School in which the service center resides.

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