

---

## 2115 UNIVERSITY SERVICE CENTERS

---

Subject: SPONSORED PROJECTS  
Effective: December 1986  
Last Revision: December 2014  
Last Reviewed: April 2016  
Resp. Office: Research Services  
Approval: Research Services

---

### PURPOSE:

---

To ensure compliance with Federal regulations for accurately developing and costing service center charges to federally sponsored projects.

---

### DEFINITION:

---

A service center is defined as a department, or functional unit within a department, which performs specific technical or administrative services for a fee. Examples of service centers are cell sorting facilities, magnetic resonance imaging facilities, or animal care facilities.

---

### POLICY:

---

1. Services provided are charged directly to all users, including sponsored agreements, based on actual use of the services, through a schedule of cost rates that do not discriminate against federally supported projects of the institution. Charges for services provided to sponsored projects must be made monthly, to accommodate accurate accounting and facilitate timely financial reporting of sponsored projects.
2. Charges for services rendered are to be structured to recover not more than the aggregate cost of the services. It is not necessary that the rates charged for services are equal to the cost of providing those services during any one fiscal year, as long as the rates are reviewed periodically and adjusted, at least annually, with the intent to balance revenue with expenses over a period normally no greater than three years.
3. Research Services is responsible for the review and approval of all service center budgets and charge rates. Each service center must be separately budgeted each fiscal year. A copy of the annual budget and the proposed fees for services must be submitted to Research Services at the beginning of each fiscal year. Specialized service facilities, those with annual budgets exceeding \$1 million and that charge 50% or more of their costs to sponsored projects, must also identify the location of the facility, building, floor, and room. Research Services is responsible for ensuring that indirect costs associated with these facilities are not included in the research F&A rate calculation.
4. Consolidation of various types of services into one budget is not permissible, except under special circumstances. In those instances, Research Services must approve the consolidation, in writing, prior to budget submission.

5. Variances (surplus or deficit) between annual costs and recovery can be carried forward into the next fiscal year. However, these variances must be incorporated into the calculation of the rates to be charged during the succeeding fiscal year. In certain circumstances, with Research Services approval, variances may be spread over longer periods.
6. Departments that experience deficits in any type of service center that exceed 15% of the budgeted expenditures, or \$25,000, whichever is less, may be required to write off the deficit at the discretion of Research Services, in conjunction with the Office of the Comptroller and in consultation with the responsible center. Deficits that need to be written off will be charged to the applicable school/center.

The source of this document is Research Services.