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I. **Purpose**

This Boise State University Recharge Center Procedures Manual ("Manual") provides a framework for the establishment, operation and closeout of Recharge Centers (defined below) at Boise State University ("University"). This framework is designed to promote compliance with federal cost principles and provide common standards and consistent operational guidance. Recharge Centers will vary in the volume and complexity of Services (defined below) rendered and these procedures are designed to provide flexibility to meet the needs of a variety of operations.

II. **Authority**

The University conducts sponsored projects funded by grants, cooperative agreements and contracts (collectively, "Awards"). Recharge Center activities often result in charges, either directly or indirectly, to federally sponsored Awards. Therefore, Recharge Center procedures and practices must reflect federal cost principles, such as those contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 ("Uniform Guidance") and, in particular, the following:

- 2 CFR § 200.468: Specialized Service Facilities
- 48 CFR Part 9905: Cost Accounting Standards for Educational Institutions
- FAQs for Costing of NIH-Funded Core Facilities (Notice #: NOT-OD-13-053)

III. **Overview**

Recharge Centers are operating units within the University that provide Services to customers/users ("Users") principally within the University (but may have External Users) for a fee, based on (an) approved rate(s). Recharge Centers function as non-profit enterprises, funding operations through fees from Users.

IV. **Definitions of Terms**

- **Animal Research Facility (ARF):** An animal care center, also known as the vivarium, which is a specially designed building type that accommodates exquisitely controlled environments for the care and maintenance of experimental animals.
- **Awards:** Sponsored projects as defined above.
- **Core Facility:** A centralized shared research resource that provides access to instruments, technologies and services, as well as expert consultation and other services to scientific and clinical investigators (see, e.g., NIH NOT-OD-13-053).
- **Direct Costs:** Those costs that can be identified specifically with a particular Award, an instructional activity or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- **External Revenue:** Revenue derived from providing Services to External Users.
- **External Users:** Users external to the University; basically any person or entity that is using neither University funds nor University Award funds to pay for Services.
- **F&A Costs** (Facilities and Administrative costs; formerly known as Indirect Costs): The types of costs that are incurred for common or joint objectives and, therefore, cannot be identified readily
Recharge Center Procedures Manual

and specifically with a particular Award or an institutional activity as defined in the Uniform Guidance (see, e.g., 2 CFR § 200.56). F&A Costs include the operation and maintenance of plant and University general administrative services. The University’s federally negotiated F&A rate is available here, and the University’s F&A rate for State of Idaho entities is 20% of Total Direct Costs per Idaho State Board of Education Policy (Section V (Financial Affairs), Subsection N (Grants and Contracts), Paragraph 3.a.iii).

- **Indirect Costs:** See “F&A Costs.”
- **Internal Users:** Any employee or student of the University that is using University (or Award) funds to pay for Services from Recharge Centers.
- **Rate Study:** A document (usually Excel) that accounts for all Recharge Center operating costs and includes calculations for Recharge Center rates.
- **Recharge Center:** A type of Service Center that is an operating unit within the University that provides Services to Users, principally within the University, for a fee, based on (an) approved rate(s). For purposes of this Manual, Recharge Centers include Animal Research Facilities, Core Facilities, Departmental Research Service Centers, and Specialized Service Facilities.
- **Segment String:** The string of segments that combine to create a separate account within the University’s chart of accounts.
  - **Operating Account:** the Recharge Center’s Segment String(s) where all operating expenses included in rates are charged and then recovered via internal payments from users. Funds in the Operating Account are considered restricted funds.
  - **Reserve Account:** a Segment String separate from the Operating Account for expenses not included in rates and funded by the department and/or External Revenue. Funds in the Reserve Account are considered unrestricted (local).
- **Service(s):** Good(s) or service(s) provided by Recharge Centers.
- **Service Center:** A broad term to define an operating unit within the institution that provides services to users, principally within the University, for a fee.
- **Specialized Service Facility (SSF):** A facility that is highly complex or specialized (e.g., computing facilities, nuclear reactors, animal care facilities), and the cost of its Services shall normally consist of both its Direct Costs and its allocable share of F&A Costs (see, e.g., 2 CFR § 200.468).
- **Straight-Line Depreciation:** A method of depreciation that recognizes depreciation expense evenly over the estimated useful life of a fixed asset. The basic steps of Straight-Line Depreciation include the following: (i) determine the initial acquisition cost of the asset; (ii) subtract the estimated salvage value of the asset from its acquisition cost; (iii) determine the useful life of asset; and (iv) divide the acquisition cost minus the salvage value by the useful life of the asset (e.g., \( \frac{(Acquisition\ Cost - Salvage\ Value)}{(Useful\ Life)} = Annual\ Straight-Line\ Depreciation\ Amount \)).

V. **Establishing a Recharge Center**

Recharge Centers require formal Office of Sponsored Programs (“OSP”) approval before commencing operations and a routine OSP review every year. Any rate adjustments that fall between scheduled reviews must also be approved by OSP prior to implementation. Existing Recharge Centers that have undergone an official review process by OSP and have been approved as official Recharge Centers are allowed to directly charge Awards according to their published rate schedules. Rate-based charges (as
opposed to actual Direct Costs) to Awards from department operations that have not undergone this process are unallowable.

For assistance in determining cost allowability, developing rates for approval or operating a Recharge Center, please contact the OSP at ospcostaccounting@boisestate.edu.

A. Business Plan

The following questions should be considered and answered when developing a new Recharge Center’s business plan:

- What is the purpose of the Recharge Center?
- Are the Services identifiable (e.g., cell and tissue culture) as opposed to general (e.g., general administrative costs)?
- What is the expected demand for the Services?
- Will the Services be provided on a regular or continuing basis?
- Are the Services provided for or subsidized by a federal Award?
- What is the expected number and type of Users (internal/external)?
- Are the Services unique and not currently available elsewhere on campus?
- What will you charge for the Services?
- Can you recover the costs of the Services?
- Is the Recharge Center sustainable without a University subsidy?
- What is the anticipated start-up date?
- Who will operate the Recharge Center?
- Where will the Recharge Center be located?
- Will Intellectual Property be created in the course of the Services?
- Will research compliance protocols be required (e.g., IRB, IACUC or IBC)?

While a specific business plan format is not required, the Small Business Administration’s online business plan tool described in Exhibit 1 of this Manual may be helpful to you.

B. Rate Study and Components

You must use an OSP-approved Rate Study template described in Exhibit 2 of this Manual when developing rates. Rate structures should be reasonable, transparent and consistently applied. The following are issues that must be addressed during the Rate Study:

- Identify the Services you will provide.
- Identify the Users.
  - Internal: University colleges/departments and Awards.
  - External: those who do not have an Award account or a University local or appropriated account (e.g., other universities and the private sector/industry)
- Identify expected annual usage.
- Identify annual costs for the Services (if more than one, this is an iterative process).
  - Salaries and Fringe Benefits: Identify all employees who will devote time to the Recharge Center and how much time. Exclude any salaries and fringe benefits paid from Awards. All salaries and associated fringe benefits included in the Recharge
Center rates, whether from appropriated or unrestricted (local) funds, must be charged to the Recharge Center’s Operating Account.

- **Service Contracts**: Include annual costs of service contracts (e.g., equipment maintenance agreements). A service contract for more than two years must be charged to a separate account and allocated to the Recharge Center Operating Account as an annual expense.

- **Materials and Supplies**: Evaluate if these costs are fixed or variable. Assess if the materials and supplies are necessary for the operation of the Recharge Center.

- **Repairs and Maintenance**: Identify repair and maintenance costs (not included in Service Contracts) that may be necessary for the operation of the Recharge Center.

- **Travel**: Travel costs related to the operation of the Recharge Center.

- **Personnel Development**: Personnel development costs necessary for the operation of the Recharge Center.

- **Coming Soon – Not Yet Implemented: Depreciation**: Rates cannot include the cost of anticipated capital expenditures. Instead, rates may include the cost of "depreciation" related to the use of newly acquired Recharge Center equipment, subject to the following rules:
  - The computation of depreciation must be based on the acquisition cost of the capital assets involved. Billing rates must exclude any portion of capital asset costs borne or donated by the federal government, as well as any portion of the cost prohibited from recovery by applicable law or agreement (e.g., cost shared equipment). Examples of equipment to be excluded include equipment purchased under federal Awards and equipment included in the University’s F&A rate calculation. All equipment that will be depreciated by the Recharge Center must be appropriately coded in the fixed assets module of Oracle Financials Cloud ("OFC") so it will not be included in future F&A rate calculations.
  - The computation of depreciation for equipment will be based on Straight-Line Depreciation. No depreciation may be computed or charged on equipment that has outlived its useful life.
  - Depreciation must be based on adequate property records: complete physical inventories must be taken prior to March 1st each year to ensure that the assets exist and are used and needed. See, e.g., Boise State University Policy # 6270.
  - A separate capital replacement account may be set up to collect the depreciation portion of recharge annually.

- **Carry-forward Surpluses and Deficits**: The prior year’s surplus or deficit must be included in the rate calculation for the following year.

- **Unallowables**: Costs that are included in the University’s F&A rate proposal may not be included in Recharge Center rates. Also see “Depreciation” (above) and 2 CFR § 200.420, Considerations for selected items of cost.

- **F&A Costs**: The current F&A must be added to invoices for External Users.

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1 You will need to speak with OSP and, potentially, Fixed Assets and Inventory Control to determine whether particular equipment has been included in the University’s F&A rate negotiated with the federal government.
• Calculate the rate(s).

\[
Rate = \frac{Annual\ Costs}{Total\ Annual\ Usage}
\]

C. Fee Structure Options and Strategies

How will usage be measured?

• Per unit (e.g., hour [labor or machine], sample, injection, setup, product)
• Direct-charging of consumables
• Subscription-based (e.g., monthly, weekly)
• Combinations (e.g., flat setup fee + per-sample)

Goal: equitable + supportable

Use the measurement which allocates costs equitably across all Users.

D. Submit Recharge Center Documentation

Recharge Center documentation must include:

• An inventory of all resources (Recharge Center personnel, administrative contacts, equipment, space/location, subsidy sources, etc.)
• A clear, well-defined calculation of the Recharge Center rate(s) (spreadsheet format) that includes:
  o Description(s) of Services and how Users will benefit from the Services;
  o All allowable operating expenses (fixed & variable) identified in detail and forecasted for one year; and
  o Usage (units of measure) identified and forecasted for one year.
• Business plan (using an OSP-approved template).

The above information will be routed for approval using the standard OSP Proposal Preparation and Award Acceptance processes; provided, the OSP Contract Officer role will be performed by an OSP Cost Accountant responsible for Recharge Centers.

E. Review of Recharge Center Proposal

The Recharge Center Business Plan and Rate Study, as well as supporting documentation, will be reviewed by OSP for compliance with federal, state and University statutes, regulations, rules, policies and procedures.

F. Recharge Center Initiation

If the proposal is acceptable, OSP will then work with the Recharge Center Director (or designee) to establish a Recharge Center Operating Account within OFC to collect allowable costs and revenue. A Reserve Account will also be set up if the Recharge Center may generate revenue from External Users.
After approval is received from OSP, the Recharge Center Director (or designee) will take the following steps:

- Update salary projected expense distributions through Human Resource Services. All salary/fringe included in the Recharge Center rates, whether from appropriated or unrestricted (local) funds, must be charged to the Recharge Center’s Operating Account.
- Publish approved rates on the Recharge Center’s website (if available) or the OSP website.
- Request a vendor ID from Administrative Accounting (see contact for “IDCs”).
- **Coming Soon – Not Yet Implemented:** Recommended Step: Set up appropriate iLab Operations Software (“iLab”) account(s) to track and manage all Recharge Center usage and billing. Information about how to do this is available on the OSP website.

VI. **NIH Salary Cap**

Only the portion of salary under the NIH salary cap may be included in the Recharge Center rates. The portion of salary above the cap is an unallowable cost to the Recharge Center and must be paid by another source (e.g., appropriated account). See the OSP Proposal Preparation page for more information about the NIH salary cap.

VII. **Discounts/Fee Waivers**

A single base rate must be set for all Users of a given Service. However, with the approval of the University unit(s) providing subsidy, specific Users or groups/classes of Users may be charged at less than the listed base rate if sufficient University subsidy is available to compensate for the reduction. **The reduced/waived charges must be charged to the subsidy funding source via internal payment at the same time that usage is billed.** In other words, all usage must be billed at the same base rate for the same Service, but payment for one invoice may be received from multiple payment sources. The Recharge Center Director should determine what amount of subsidy will be requested to support calculated rates and provide affordable Services to the University community and other Users. If no subsidy is required, the Recharge Center may proceed with submitting a Rate Study to OSP for approval. If a subsidy is needed, the fund owner must approve the request for subsidy before forwarding to OSP.

VIII. **Fiscal Administration/Operation**

A. **Billing Internal Users**

All Recharge Center usage (for both Internal Users and External Users) must be billed at least monthly at the established base rate(s) using the University’s internal payment process. All Recharge Center billing transactions must utilize account code 515010 Recharge Center Fees for the expense side (debit to User) and an appropriate revenue code for the income side (credit to Recharge Center). All Internal Users should be notified of the pending charges and given time to request any changes before the transactions are processed and posted. Please see Exhibit 4 for a flowchart of this process.

Recharge Centers not using iLab will need to develop their own invoice templates to bill Internal Users. Once Recharge Centers and their Internal Users agree upon the charges, the Journal Entry Form, including its associated instructions, must be used to initiate the internal charges and payments.
Coming Soon — Not Yet Implemented: For Recharge Centers using iLab, the process will be the following: (i) specific Recharge Centers manually kick-off billing events on their own schedules, which e-mails invoices to their Internal Users; (ii) the iLab-to-OFC integration will then pick up the billing files and convert them to the formats needed by OFC; and (iii) OFC will charge Internal Users at the base rate and credit the revenue to the Recharge Centers.

B. Monitoring and Breakeven Requirement

The fiscal requirement of Recharge Centers is to break even over any two-year period (revenue should equal expenses), but Operating Account fund balances should be monitored throughout the fiscal year. For breakeven analysis purposes, revenue is accrued back to the period in which it was generated (when the Services were provided), and multi-year expenses (such as service agreements covering multiple years) are deferred across the fiscal years in which they benefit. A Recharge Center may not carry a surplus equal to more than sixty (60) days of operating expenses at any time. If this happens, the Recharge Center will be required to either lower its rate(s) or refund all of its Users by reversing all or portions of each transaction to all Users. Recharge center rate studies proposing calculated rates must include a signed subsidy summary stating the following: “Recharge rates are calculated to break even, allowing for pre-determined subsidies, and are adjusted annually to include annual surpluses/deficits. However, in the event that the recharge center has a net deficit for any two-year period, the recharge center, department, and/or college/division will be responsible for covering the net deficit with other funds and will work with OSP to initiate a funds transfer along with a new rate study to increase rates.”

C. Annual Financial Reporting

Recharge Centers are required to submit annual financial reports to OSP at ospcostaccounting@boisestate.edu. Due dates will depend on what annual dates the Recharge Center is operating. Please contact OSP with any questions you may have.

IX. External Users and Revenue

A. Contracting with External Users

Recharge Centers must enter into formal agreements with External Users using the Recharge Center Services Agreement template in Exhibit 3 of this Manual. The Recharge Center Services Agreement only requires a few basic fields to be entered, as well as an appropriate Statement of Work and Budget. If Recharge Centers and Users do not make any changes to the Recharge Center Services Agreement (other than filling in the blanks), then an authorized person of User and a University representative with sufficient signature authority may sign it and commence work. If higher signature authority or changes to the Recharge Center Services Agreement are required, Recharge Centers must submit the agreement to the Office of the General Counsel ("OGC") for review and approval per OGC’s standard process.

Use of Recharge Center facilities by External Users must be set up through the Facility Use Agreement process. The Office of Technology Transfer is responsible for this process.
B. **Charging External Users**

Recharge Center activities providing Services to External Users must charge the current on-campus research F&A rate in addition to the total direct cost base rate. Private industry/commercial Users must be charged a surcharge that elevates the rate to a level that ensures the University does not undercut industry competitors.

Invoices to External Users must include at least the following information:

- Date of Service(s);
- Description of Services;
- Quantity of units provided;
- Rate charged per unit; and
- Payment terms (e.g., net 30).

All revenue from External Users, paid either via check (departmental deposits) or credit card (University’s Marketplace), must be deposited into Recharge Centers’ unrestricted Reserve Accounts (Segment String) that are separate from the Recharge Centers’ restricted Operating Accounts. In order to be eligible to receive external payments by check or credit card, you are required to attend training from the Payment and Disbursement Center (P&D). For more information on getting set up to receive check or credit card payments, please contact P&D at (208) 426-1212.

Recharge Centers not using iLab will need to: (i) develop their own invoice templates to bill External Users; and (ii) provide the invoices to Accounts Receivable. These Recharge Centers also need to develop a process to have the Recharge Centers’ Operating Accounts bill External Users’ usage at the base rate to Recharge Centers’ Reserve Account (see Exhibit 4 for a flowchart of this process).

**Coming Soon — Not Yet Implemented:** Recharge Centers using iLab will process External Users’ usage in the following manner: (i) specific Recharge Centers manually kick-off billing events on their own schedules, which e-mails invoices to their External Users; (ii) the iLab-to-OFC integration will then pick up the billing files and convert them to the formats needed by OFC; and (iii) OFC will charge External Users’ usage to the Recharge Centers’ Reserve Accounts at the base rate (see Exhibit 4 for a flowchart).

X. **Annual Rate Studies**

A Recharge Center must perform Rate Studies annually. Annual Rate Study calculations must include the prior year’s surplus or deficit in order for operations to break even over a two-year period. A Recharge Center is primarily responsible for preparing its Rate Study annually and submitting for review to OSP at ospcostaccounting@boisestate.edu. Due dates will depend on what annual dates in which the Recharge Center is operating.

XI. **Record Retention and Audits**

A. **Record Retention**

Records of Recharge Center initiation documents should be kept for the life of the Recharge Center plus five (5) years. All other documents, such as financial reports, usage reports, billing data, invoices, cost transfers, subsidies, updated business plans and Rate Studies must be kept for a minimum
of the amount of time required by Policy # 1020 (University Records, Archives, and Publications). This is generally five (5) years, but contracts must be retained for six (6) years.

B. Audits

Audits of the University may require participation by departments responsible for Recharge Center operations when the scope of these audits warrants it. In such cases, the Recharge Center Director (or designee) will be contacted by OSP as far in advance as possible.

Recharge Centers are subject to audit as long as the Awards which they charge (either directly or indirectly) remain subject to audit requirements. Recharge Centers are also subject to periodic review by the University’s Internal Audit and Advisory Services and by external auditors to evaluate compliance with established University policies, procedures and accounting practices. Therefore, Recharge Center activities must be adequately documented and records maintained to support expenditures, billings, rate development and transfers as outlined in Record Retention section above.

XII. Sales Tax and UBIT

If Recharge Centers provide Services to External Users, such transactions may be subject to: (i) sales and use tax; and (ii) Unrelated Business Income Tax (“UBIT”). Please contact University Tax Reporting for more information if your Recharge Center anticipates selling to External Users.

XIII. Recharge Discontinuation and Transfer

A. Discontinuation of an Approved Recharge Center

To discontinue an approved Recharge Center, a notification must be submitted to OSP at ospcostaccounting@boisestate.edu at least one (1) month prior to the discontinuation date. This will permit OSP and the Recharge Center to discuss the discontinuation and ensure that all requirements are satisfied. No later than one (1) month after the discontinuation date, the Recharge Center must also submit the following information to OSP:

- The Recharge Center’s cessation date;
- A financial reconciliation of the Recharge Center (net position);
- A financial reconciliation of all reserve funds; and
- The proposed disposition of Recharge Center net position(s). Deficit balances must be transferred to one or more unrestricted accounts. Generally, surplus balances will be returned to the Users, but the disposition of surplus balances will be determined on a case-by-case basis.

All usage must be billed, and all related expenses must be recorded before discontinuing Recharge Center activity. Once the Recharge Center Operating Account has a zero fund balance, the account can be closed out in OFC by OSP.
B. Transfer of Ownership of an Approved Recharge Activity

To transfer ownership of an approved Recharge Center from one department to another, a notification must be submitted to OSP at ospcostaccounting@boisestate.edu at least one (1) month before the transfer date. The notification must include the following:

- The effective date of the transfer;
- A financial reconciliation of the activity as of the notification date (net position);
- Written approval from both departments, which shall include agreement about net position, personnel transfers (if applicable) and the transfer of a reserve fund net position (if applicable); and
- If there are changes in rates and rate structures, the new department must submit a full Rate Study.

XIV. Exemption Requests

Any exemption requests to the standards set forth in this Manual must be made in writing to the Executive Director of OSP, and should include an explanation of the circumstances and a justification for why the exemption is warranted.

XV. Exhibits

- Exhibit 1: Recharge Center Business Plan Template
- Exhibit 2: Recharge Center Rate Study Template
- Exhibit 3: Recharge Center Services Agreement Template
- Exhibit 4: Recharge Center Financial Process Flowchart
- Exhibit 5: Case Study: Recharge Center with External Users
The Small Business Administration’s online Build Your Business Plan tool is available by clicking here.

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Build Your Business Plan

Are you interested in starting a business? Creating a business plan is one of the most important steps you will take because the plan serves as your road map for the early years of your business. The business plan generally projects 3-5 years ahead and outlines the route a company intends to take to reach its yearly milestones, including revenue projections. A well thought out plan also helps you to step-back and think objectively about the key elements of your business venture and informs your decision-making on a regular basis.

SBA’s Business Plan Tool provides you with a step-by-step guide to help you get started. All of your information entered into this tool can only be viewed by accessing your account using the password you have specified. Not only can you save your plan as a PDF file, you can also update it at any time, making this a living plan to which you can often refer. You can also use your completed business plan to discuss next steps with a mentor or counselor from an SBA resource partner such as SCORE, a Small Business Development Center (SBDC) or a Women’s Business Center (WBC).

Complete each section of SBA’s Business Plan Tool at your own pace. Save your work at any time and pick up where you left off the next time you log into the tool. Your information will be saved for up to six months after your last login date.

During the step-by-step process, this tool will update the status of your business plan. Once you save your information and move to a new section in the business plan, a checkmark will appear in the numbered section menu at the top of the screen denoting when each section is complete.

Get started now by logging in or registering for a new account.
EXHIBIT 2
Recharge Center Rate Study Templates

The following Recharge Center rate study templates are available on OSP’s Forms & Templates web page. In the search box, use key words “Recharge Center” to find the templates easier.

• Recharge Center Rate Study (Auto Calculation)
• Recharge Center Rate Study (Simple)
The Recharge Center Services Agreement template is available on OSP’s Forms & Templates web page. In the search box, use key words “Recharge Center” to find the template easier.
EXHIBIT 4
Recharge Center Financial Process Flowchart

Recharge center incurs allowable costs for operations and tracks usage for ALL users/customers.

Allowable costs are posted to recharge center operating account.

Base rate same for ALL users (based on costs).

Internal (BSU) Users [Required for Recharge center]

Internal (BSU) Users [Required for Recharge center]

Notify users about pending charges

Charges for internal users (base rate)

External Users (other universities and industry)

Admin Acct posts internal payments

Charges for external users (base rate)

Revenue (equal to base rate) to recover costs

Recharge Center Reserve Account (unrestricted local)

Revenue deposit

Appropriated Cost Centers

Sponsored Projects (projects in PPM)

Unrestricted (Local) Cost Centers

External Users [NOT required for recharge center]

Other Universities

Rate: base rate + F&A rate

Invoices sent to external users

External Users pay invoices

Industries

Rate: base rate + F&A rate + surcharge

Invoices sent to external users

Recharge operating account reviewed by OSP to ensure that recharge center breaks even over any two-year period (revenues should equal costs; cannot have more than a 60-day operating reserve built up at any one time; rates are adjusted whenever necessary based on surplus/deficit and usage history/forecasts)

Revenue for external users (including F&A and any surcharges) is deposited into a separate unrestricted account. The operating account (PPM project) then bills the separate unrestricted (local) account at the base rate.

Corrie Newland, Cost Accountant Office of Sponsored Programs, BSU

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EXHIBIT 5
Case Study: Recharge Center with External Users

The transactions below illustrate billing procedures for the Widget Recharge Center (WRC) in the Department of Academics of State University.

WRC provides 100 widgets of service during the month of October to users as follows:
- 60 widgets to users internal to State University
- 25 widgets to users of Other University
- 15 widgets to Industry Company

WRC incurs $10 in allowable operating costs per widget (based on historical annual costs and usage).

WRC’s November billing transactions (for October activity) would be as follows (in simple form):

<table>
<thead>
<tr>
<th>Transaction Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRC Operating Account bills internally for ALL usage at base rate:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Journal entry credits revenue in WRC Operating Account (100 widgets),</td>
<td>1,000.00</td>
<td></td>
</tr>
<tr>
<td>*charges user w/appropriated funds by debiting account code 515010 (10 widgets),</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>*charges users w/award funds by debiting account code 515010 (30 widgets),</td>
<td>300.00</td>
<td></td>
</tr>
<tr>
<td>*charges users w/local funds by debiting account code 515010 (20 widgets), and</td>
<td>200.00</td>
<td></td>
</tr>
<tr>
<td>*charges WRC local (for external users) by debiting account code 515010 (40 widgets)</td>
<td>400.00</td>
<td></td>
</tr>
</tbody>
</table>

Other University pays for services (25 widgets) via check (processed by P&D):
Departmental deposit debits University Cash and credits Revenue in WRC Reserve Account 351.25

Industry Company pays for services (15 widgets) via credit card (processed by P&D):
Departmental deposit debits University Cash and credits Revenue in WRC Reserve Account 375.00

*Internal transactions are excluded from the University financial statements so that revenue and expenses are not double-counted. These payments are essentially processed the same as cost transfers.

WRC Rate Schedule

<table>
<thead>
<tr>
<th>Rate</th>
<th>Per widget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate A (State University Internal)</td>
<td>$10.00</td>
</tr>
<tr>
<td>40.5% F&amp;A</td>
<td>+ 4.05</td>
</tr>
<tr>
<td>Rate B (Other Universities/Federal)</td>
<td>$14.05</td>
</tr>
<tr>
<td>Surcharge</td>
<td>+10.95</td>
</tr>
<tr>
<td>Rate C (Private Industry/Commercial)</td>
<td>$25.00</td>
</tr>
</tbody>
</table>

WRC Operating Account (restricted)

<table>
<thead>
<tr>
<th>Revenues ($1,000.00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses ($1,000.00)</td>
</tr>
<tr>
<td>Fund Balance $0.00</td>
</tr>
</tbody>
</table>

WRC Reserve Account (unrestricted local)

| Revenues $726.25 (351.25 + 375.00) |
| Expenses -$400.00 |
| Fund Balance $326.25 |

The F&A and surcharge are effectively left in reserve.

Double-check: $326.25

Revision: 9/14/2022