

Core Facilities

Retro Policy Clarification

When to use an MEB's vs Cost Transfer:

Inventory Supplies– used when Cores do not have an appropriate allocation available at the time of purchase. For example, Cores purchase items such as gloves, syringes, etc. that will be used across all tasks. In this situation, Cores can initially charge task 01 and then later move the cost to the correct task based on utilization. Task 01 should be cleared by fiscal year end.

Allocation of external for-profit markup– When external customers utilize a Core, all but 10% of the markup goes back to the Core in the service line/task that the customer used. Cores have a choice whether to leave it there (effectively lowering the cost for all users) or allocate this additional markup to task 999 where the Core can use these funds as they need to for the Core as a whole. This allocation for the fiscal year must be done by year end close.

Funding a deficit on a Core is not considered a cost transfer as costs are not being moved. Instead it is a transfer of funds from an alternate source.

Booking Depreciation on a Core is not considered a cost transfer as costs are being posted to the project via an accounted MEB. This does not include corrections of invoices for charges incorrectly coded to expense and not capital to generate depreciation.

Allocating balances due to restructure of Core Rates – Due to different business needs that arise, Cores will sometimes change the structure of their rates. That may require setting up new tasks, deleting old tasks, etc. Balances of the old tasks must be either funded in a different manner (if in deficit), returned to the users (if surplus and task is not related to new structure), or allocated to new structure based on cost/benefit. This allocation is done based on the timing of the restructure within the Core.

Closing a Core Facility – Any balance remaining on a closed core will have to be removed, either by funding a deficit or returning the federal portion of a surplus to the government and moving the remainder to the department.

When to use a Cost Transfer vs. MEB:

Transactions that are processed in error to the wrong task – If transactions are processed to the wrong task in error, the retro policy does apply and transfers between tasks should be processed within 90 days.

Transactions that are processed in error to the wrong project/COA– If transactions are processed to the wrong project/COA in error, the retro policy does apply and transfers should be processed within 90 days.