VANDERBILT UNIVERSITY

Service Center Frequently Asked Questions

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Rates

Why are established and approved rates required for service centers?

Service centers are often direct costs on grants and contracts. As such, they must conform to federal requirements for direct costs as specified in the OMB Uniform Guidance as well as specific federal requirements related to how rates/fees are established and assessed to users.

What are the implications of not establishing and submitting rate calculations?

In the event of an audit, unsupported and unapproved service center rates are likely to result in repayment of those amounts (plus any associated F&A recovery) to the funding agency.

Can the rates be rounded?

Rates used should be the actual rate calculated and not rounded. Should there be a need to round, rates can only be rounded down to the nearest dollar. If rates are rounded down more than the nearest dollar, a subsidy must be provided for the difference.

Do I have to submit a rate schedule even if I am keeping my rates the same as the previous year?

Yes. It is important to have documentation of the surplus/deficit analysis and updated rate schedules that reflect current activity.

Can I charge an external for-profit user more than actual costs?

Yes. Work with OCGA to ensure the proper accounting treatment for the profit portion.

Can I adjust prices mid-year?

Yes, if your estimates prove to be significantly different than actual activity or if there is a structure change within your Core. To do so, submit an updated rate workbook to OCGA. Once approved, the new rates can be used.

Surplus / Deficit

Can I use the surplus from one service line and apply it to another service line?

Generally, no. Each service line should be tracked separately via separate tasks within the core project. Service lines should not be comingled (i.e. one service line within a Core unit cannot subsidize another service line). Any exceptions must be approved by OCGA.

Subsidy

Does a subsidy need to be tracked within the accounting system?

Yes. Subsidies cannot be included for recovery within the F&A calculation. Therefore, it is important that all subsidies be identified within the appropriate system.

Equipment Depreciation

How does depreciation get recorded on my core?

OCGA will book the appropriate amount of depreciation to your Core based on the depreciation expense in the fixed asset subledger associated with the equipment listed in the rate workbook. An accounted batch will be processed in Oracle to charge depreciation onto the applicable core service lines and credit task 999 within the Core Project at least annually. Task 999 will be ignored for rate setting purposes.

What if my records regarding capital equipment don't agree with the information in the Oracle Fixed Asset Subledger (FASL)?

Contact the Asset Management Office in Finance for resolution.

If I choose not to include equipment depreciation expense in my prices, can I still build a reserve into my rates?

No.

Can I build the cost of a future asset replacement into my rates?

You can only include the depreciation (not the total cost of the asset) for anticipated expenses in the fiscal year for which you are calculating rates, not time periods beyond.

Are there any restrictions on what can be purchased on Task 999?

No, as long as the purchase is related to the operations of the Core. Typically, these funds are used to repair or replace Core equipment. If the Core decides to use the funds for a different purpose within the Core, consideration should be given as to how future equipment purchases/repairs will be funded.