



BOISE STATE UNIVERSITY

University Policy 5110

Recharge Centers

Effective Date

April 2017

Responsible Party

Vice President for Research and Economic Development, (208) 426-5732
Office of Sponsored Programs, (208) 426-4420

Scope and Audience

This policy applies to all University personnel involved in the administration or performance of Recharge Center activities.

Additional Authority

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)
 - 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)
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1. Policy Purpose

To provide common standards and consistent operational guidance for the establishment, operation and closeout of Boise State University (“University”) Recharge Centers (defined below) while ensuring that the Recharge Centers comply with federal cost principles and have financially sustainable business plans.

2. Policy Statement

Recharge Centers are an essential element of the University's educational and research environment. Recharge Centers enable and enhance research by providing access to technologies and Services that are generally beyond the technical or financial capability of individual investigators. Even though there is considerable variation in the size, complexity and Services provided by Recharge Centers, there are administrative commonalities that must be maintained. This policy and its associated Recharge Centers Procedures Manual (available on OSP's Recharge Centers web page) provide University-wide direction for the financial operations of Recharge Centers and establish principles to ensure that Recharge Centers are compliant with University policies and federal regulations.

3. Definitions

3.1 Awards

Sponsored projects funded by grants, cooperative agreements and contract.

3.2 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).

3.3 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.

3.4 External Users

Users external to the University; basically any person or entity that is using neither University funds nor Award funds to pay for Services.

3.5 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 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 via OSP's Proposal Preparation web page, 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).

3.6 Indirect Costs

See “F&A Costs.”

3.7 Internal Users

Any employee or student of the University that is using University (or Award) funds to pay for Services from Recharge Centers.

3.8 Rate Study

A document (usually Excel) that accounts for all Recharge Center operating costs and includes calculations for Recharge Center rates.

3.9 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. For purposes of this policy, Recharge Centers also include Core Facilities and Specialized Service Facilities.

3.10 Services

Good(s) or service(s) provided by Recharge Centers.

3.11 Specialized Service Facility

A facility that is highly complex or specialized (e.g., computing facilities, nuclear reactors, animal care facilities), and the cost of its Services normally consist of both its Direct Costs and its allocable share of F&A Costs (see, e.g., 2 CFR § 200.468).

3.12 Users

Recharge Center customers, which may be referred to individually as an Internal User or an External User.

4 Responsibilities and Procedures

4.1 Regulatory Requirement

As a recipient of federal funding, the University must comply with the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. In particular, these regulations require that all charges (no matter the source of funding) for Recharge Center activities must be charged according to actual usage, only recover costs and not make a profit. Like other sponsored project costs, in the event of an audit, documentation must exist to support the costs.

4.2 Establishing a Recharge Center

To establish a Recharge Center, a written proposal must be prepared and submitted to OSP in accordance with the Recharge Centers Procedures Manual. The proposal must include a business plan, a Rate Study and the fee structure. The business plan lists key personnel, describes the nature of operations and documents the resources used in Recharge Center operations. Expenses included in Recharge Center rates must be: (i) allowable as Direct Costs under federal regulations and University policies; (ii) allocable, or necessary to perform the objectives of the Recharge Center; and (iii) reasonable, or does not exceed that which a prudent person would pay under the circumstances.

4.3 Financial Considerations

All Recharge Centers must be governed by sound accounting principles and must comply with applicable federal cost principles.

4.3.1 Non-Discriminatory Rates

Rates charged must be nondiscriminatory, and all Internal Users and External Users must be billed for Services received.

4.3.2 Billing

Recharge Centers should invoice for all of their Services at least monthly. Invoices must contain enough data to identify each charge, and there must be adequate records to support the number of hours or other measure of Services which form the bases for customer billings.

4.3.3 Break-Even Expectation

The fiscal requirement of Recharge Centers is to break even over a two-year period (revenue should equal expenses), but operating account fund balances should be monitored throughout each fiscal year.

4.3.4 Equipment Depreciation

Recharge Centers may depreciate certain equipment in accordance with the guidance set forth in the *Recharge Centers Procedures Manual*.

4.3.5 Year-end Balances

Surpluses and deficits should be carried forward to ensure that Recharge Centers do not recover less or more than their aggregate costs.

4.3.6 Subsidies

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 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 the Service is billed. In summary, all usage must be billed at the same base rate for the same Service, but payment for the Service may be received from multiple funding sources.

4.3.7 Unallowable Costs

The following non-exhaustive list of expenditures are not allowable to be paid from Recharge Center accounts:

- a. Entertainment costs;
- b. Alcoholic beverages;
- c. Bad debts;
- d. Goods or services for personal use;
- e. Advertising (with some exceptions);

- f. Fines and penalties resulting from violations of, or non-compliance with, federal, state or local laws and regulations; and
- g. Donations and contributions.

For more information, see 2 CFR §§ 200.420 – 200.475.

4.4 Annual Rate Studies and Financial Reporting

Recharge Centers are required to annually perform Rate Studies and submit financial reports to OSP. More details about these requirements are available in the *Recharge Centers Procedures Manual*.

4.5 Responsibilities

4.5.1 Recharge Center Director Responsibilities

- a. Developing a long-term plan to recover costs.
- b. Ensuring that Recharge Centers break even.
- c. Developing a process to identify and evaluate significant cost changes, and ensuring use of the current and approved rate(s) when charging sponsored projects.
- d. Documenting billing rate(s) development.

4.5.2 Office of Sponsored Programs Responsibilities

- a. Assisting with the coordination and clarification of this policy.
- b. Maintaining this policy, the Recharge Centers Procedures Manual and other guidance as necessary.
- c. Providing guidance in rate calculations and other areas of Recharge Center compliance.
- d. Monitoring compliance with this policy, the Recharge Centers Procedures Manual and other applicable guidance.
- e. Coordinating the F&A proposal process to ensure costs are not charged both directly (as F&A costs).

- f. Reviewing and approving Recharge Center proposals.
- g. Reviewing and providing feedback on annual financial reports.

4.6 Other Issues

4.6.1 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.

4.6.2 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 at least the 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.

4.7 Exemption Requests

Any exemptions requests to the standards set forth this policy and/or the *Recharge Centers Procedures Manual* should be made in accordance with the process set forth in the *Recharge Centers Procedures Manual*.

Last Review Date

October 2020