A red and white logo

Description automatically generatedA close up of a business card

Description automatically generated A close up of a logo

Description automatically generated

**Recharge Rate Calculation Template Instructions**

Table of Contents

[Background 3](#_Toc162528541)

[General Principles 3](#_Toc162528542)

[Instructions for Completing the Recharge Rate Calculation Template 4](#_Toc162528543)

[STATEMENT OF RESPONSIBILITY 4](#_Toc162528544)

[1\_GENERAL INFORMATION 4](#_Toc162528545)

[2\_DESCRIPTION OF SERVICES 5](#_Toc162528546)

[3\_USAGE 6](#_Toc162528547)

[4\_EFFORT & SERVICE ALLOCATIONS 6](#_Toc162528548)

[5\_EFFORT BILLABLE HOURS 7](#_Toc162528549)

[6\_SALARY & FRINGE BENEFIT (FB) EXPENSE 8](#_Toc162528550)

[7\_NON-LABOR EXPENSES 9](#_Toc162528551)

[8\_EQUIPMENT 10](#_Toc162528552)

[9\_DEPRECIATION EXPENSE 11](#_Toc162528553)

[10\_SD IN AGGREGATE 11](#_Toc162528554)

[11\_RATE CALCULATION PROPOSAL 14](#_Toc162528555)

[12\_FB Coverage Calc 16](#_Toc162528556)

[INFORMATIONAL ONLY 17](#_Toc162528557)

[Appendix A: Allowable versus Unallowable Costs 18](#_Toc162528560)

[Allowable Costs 18](#_Toc162528561)

[Unallowable Costs 18](#_Toc162528562)

# Background

The purpose of the Recharge Rate Calculation Template is to provide uniform guidance to University of Chicago recharge operations for calculating and establishing recharge rates. All new recharge operations are to complete the Recharge Rate Calculation Template and provide it with their request for a recharge account. Existing recharge operations are to complete the Recharge Rate Calculation Template annually (due May 15th each year to Financial Services as new rates are effective July 1). The recharge rate calculation is a critical audit document as it assists with the demonstration of compliance with Uniform Guidance.

# General Principles

Underlying the Rate Calculation Template are the following key principles:

1. Rates charged to federal programs must be developed in compliance with the Uniform Guidance cost principles and the costs included in the rates must be allowable (Refer to Appendix A for allowable/unallowable cost guidance).
2. The recharge rates should be established using a documented method. Records must be retained and made available to federal officials as required.
3. A given rate must be based on actual/estimated costs (versus an amount derived from the market or a “historical” rate that cannot be documented) and charged based on actual usage.
4. All recharge related costs should be charged to the recharge account. If the department would prefer to cover some of the costs and not include them in recharge rates, this should be done through a subsidy transfer to the recharge account.
5. Rates cannot discriminate between internal users (i.e., one internal user cannot subsidize the cost of providing the same product/service to another internal user).
6. A unit may “sell” its products/services to external users (individuals and/or organizations outside of the University), but such sales should be incidental.
7. The same rate does not have to be charged to internal and external users. If internal users are billed using a lower rate than the federal (calculated) rate, other source(s) of funding will be provided to make up the difference so the government does not share in the recharge operation subsidy (i.e., internal users cannot be charged a rate higher than the calculated rate but if they are charged less than the calculated rate, the rate differential should be covered by a unit/division subsidy or external users should be charged a higher rate than the calculated rate).
8. Over time, the recharge should break even, or recover no more than the total cost of providing the good(s)/service(s). A unit may lose money on its operations, but it may not earn a profit. “Total cost” is defined by the rate calculation methodology/recharge rate type established for that unit. Annual surpluses/deficits must be incorporated into the next years rates, or in the case of a deficit, be subsidized by departmental funding sources.

# Instructions for Completing the Recharge Rate Calculation Template

* The shaded boxes require review/completion by the recharge operation.
* **DO NOT** modify the rate template by adding/removing columns/rows or changing formulas unless instructed to do so. Modifications to the template may cause errors in calculations.
* Services should be listed next to each other on the Description of Services tab with no gaps and any service columns not used should be left in the template, not deleted.
* If you have a **unique** situation that is not accommodated by the rate template or if you find errors in the rate template that require corrections, please contact Financial Services for assistance.
* Please use the Additional Explanations boxes at the bottom of each tab(beginning with 1\_General Information) to provide clarity for data entered that might not be understood in its current form.

# STATEMENT OF RESPONSIBILITY

The purpose of the Statement of Responsibility is to obtain confirmation that all recharge representatives have a general understanding of recharge responsibilities and agree to uphold recharge policies in accordance with the University of Chicago and Federal regulations.

It should be signed by the Recharge Financial Administrator.

# 1\_GENERAL INFORMATION

The purpose of this tab is to collect general descriptive information regarding the recharge operation. Some of this data will be used in other tabs.

**SECTION 1**

1. **Recharge Name:**
   * Select the recharge name from the dropdown list.
2. **Recharge GL Account*:***
   * Auto-populates based on selection in #1.
3. **Recharge SL Account(S**)***:***
   * Auto-populates based on selection in #1.
4. **Recharge Building Name*:***
   * Select the primary building in which the recharge operation activity is housed from the dropdown list. If the recharge operates in other buildings, use the additional building fields in columns D and F.
5. **Recharge Building Number:**
   * Auto-populates based on selection in #4.
6. **Recharge Building Address:**
   * Auto-populates based on selection in #4.
7. **Recharge Room Number(s)*:***
   * Auto-populates based on selection in #4. The room numbers should match the format in the University space database (ARCHIBUS).
   * Please review the auto-populated room number(s). If they are not correct or missing data, please enter the corrections in the shaded boxes provided.
8. **Rate Template Completed By (Name)*:***
   * Enter the full name of the individual(s) who completed the rate template.
9. **Rate Template Completed By (Title)*:***
   * Enter the full title of the individual(s) who completed the rate template.
10. **Rate Template Completed By (Phone)*:***
    * Enter the phone number of the individual(s) who completed the rate template.
11. **Rate Template Completed By (Email)*:***
    * Enter the email address of the individual(s) who completed the rate template.
12. **Rate Template Submission Date*:***
    * Enter the date that the template was submitted to Financial Services. Use the format MM/DD/YYYY.
13. **Current Fiscal Year*:***
    * Pre-filled. No data entry required.
14. **Rate Applicable Fiscal Year*:***
    * Pre-filled. No data entry required.
15. **Current Year Fringe Benefit Rates**:
    * Pre-filled. No data entry required.
16. **Applicable Year Fringe Benefit Rates**:
    * Pre-filled. No data entry required.

***If applicable year fringe benefit rates are not yet available at the time the rate template is completed, the current year fringe benefit rates will be used in these cells.***

**SECTION 2**

1. **Current Year to Date Financials as of (mm/dd/yyyy)**:
   * Enter the ending date for the current year for which you have actual financial information. For example, if the current financials are for 7/1/YY through 3/31/YY, the current year to date financials as of would be 03/31/YYYY.
2. **Where are approved rates posted?**
   * Select answer from the dropdown. If rates are not posted, enter an explanation in the shaded box directly below the dropdown.
3. **Does the recharge have equipment?**
   * Select “Yes” or “No” from the dropdown.
4. **Will depreciation expense be included in applicable year rates?**
   * This question will appear based on your answer to the equipment question(#3).
   * If asked, select “Yes” or “No” from the dropdown list. Follow the instruction in cell D50 based on your answer. ***If “Yes” is selected, you must complete the depreciation expense allocation tab.***
5. **Next FY Billing Rates Status:**
   * Select answer from the dropdown list. Choose the answer that best describes the overall status of the applicable year rates.

**SECTION 3**

1. **Identify the guarantee account number(s)**:
   * Enter the guarantee account number(s) that will be charged for any deficits or unallowable expenses.
2. **Is the Account Used for Recharge Purposes ONLY?**
   * Select “Yes” or “No” from the dropdown for each account entered.

***Ideally a guarantee account number should be set up exclusively for recharges but this may not always be the case.***

# 2\_DESCRIPTION OF SERVICES

The purpose of this tab is to identify the core products/services that will be provided. This is an important tab as it summarizes the core activity performed by the recharge operation.

A few items to consider:

* + Each service line that will be provided should be clearly identified with a description that gives an ordinary user the ability to understand what service is being provided.

1. **Service Name**: Enter the name for each service. ***Please make sure that the service name matches the name on the recharge price list on the website or other source.***
2. **Service Description**: Enter a complete description for each service. The description should clearly explain the service being provided to the user.
3. **Select Usage Units**: Select the usage units for each service from the drop down list.
4. **Service Details**: Answer questions 1-5 by following the instructions below:

(1) New Service for the applicable FY: Choose yes or no from the dropdown if the service will be new for the applicable FY.

(2) Nature of the Service: Choose a category from the dropdown that describes the general nature of the service being provided.

(3) Human Subjects: Choose yes or no from the dropdown to indicate if human subjects are involved in providing the service. Please read the note in A24.

(4) Pass Through: Choose yes or no from the dropdown to indicate if the service is a pass through (ex. supplies or postage charged to users at cost with no markup). Please read the note in A26.

(5) External Customers: Choose yes or no from the dropdown to indicate if the service is available to external users even if there are no current sales to external users.

# 3\_USAGE

The purpose of this tab is to capture total usage for each service identified in the Description of Services tab. The data included here will be used to auto-populate other tabs.

The following fields require input:

1. **Actual Usage**: Enter the actual usage by user type for the current year to date and the estimate for the remaining months. The ending date for the current year to date should match the “Current Year to Date Financials as of” date in the 1\_General Information tab.
2. **Projected Usage**: Enter the projected usage by user type for the applicable fiscal year.
3. **Variance Explanation:** If a message appears in A12, provide a clear explanation in the shaded box below. Your answer should clearly describe the driving factors behind the variance.

# 4\_EFFORT & SERVICE ALLOCATIONS

The purpose of this tab is to identify the individuals who will be providing effort to the recharge operation, as well as projecting their effort by service line.

All individuals projected to have effort expended on the recharge during the applicable fiscal year should be listed. This list should include **all individuals with recharge effort**, even if their salaries/benefits are subsidized by the department or Federal awards. The Federal effort is accounted for in this tab.

***Only University employees should be listed (i.e. salaries paid through the University Payroll system). Purchase of non-University services will be included in the non-labor expenses tab.***

The following fields require input:

1. **Employee Name**:
   * Enter the employee’s full name as it appears in the payroll system.
   * If there is an open position at the time the template is completed, that individual may be listed as TBD; however, the role they will fulfill should be clearly identified.
   * If a role will be filled by multiple individuals throughout the fiscal year (ex. student position), enter the name of the individual who is currently filling the position.
2. **Job Title:** Enter the employee’s job title. This should correspond to the to the role the employee fulfills on behalf of the recharge and may not necessarily match their job title in Workday.
3. **New Recharge Employee for Applicable FY?**: Select yes or no from the dropdown list to indicate if the employee will be a new hire for the recharge in the applicable fiscal year.
4. **% Effort**: For each individual identified, their time should be split among the 4 effort categories listed for both the Current FY and the Applicable FY, namely:
   * **% Effort Provided to this Recharge:** This is the anticipated effort provided to the recharge by the employee for which this template is being completed and paid from the recharge account.
   * **% Effort Subsidized by Federal Awards:** This is the anticipated effort provided to the recharge by the employee that is subsidized by Federal Awards.
   * **% Effort Provided to Other Recharges:** This is the anticipated effort provided by the employee to other recharge operations.
   * **% Effort Provided to Non- Recharge Activity:** This is the anticipated effort provided by the employee on all other projects(e.g. unit/divisional responsibilities unrelated to the recharge, effort on research activities, effort on instruction).

***The % of Total Effort must equal 100%. Check columns P and Q for accuracy.***

1. **Total % Effort for Employee**: Please check columns P and Q to ensure that 100% of the employee’s effort has been allocated.
   * If the employee works for the recharge in the current fiscal year but will not in the applicable fiscal year(e.g. 100% effort allocated in CFY but 0% effort allocated in AFY), the message in column R may say, “Total Not 100%”. This is OK. In this case, please enter the name of the individual(s) in the additional explanation box at the bottom of the worksheet explaining that they will not work for the recharge in the AFY.
2. **Non-Service/Administrative Time(% Recharge Time on Non-Service Activity)**: Enter the % of projected effort spent performing non-service activities for the recharge for each employee listed.

These activities include:

* Supervision/facility management (ex. managerial duties such as supervising the overall recharge and direct administrative support for the recharge operation such as billing & collections).
* Professional conferences/development/training (ex. conferences and staff training directly related to the recharge).
* Recharge billing.
* Other time that is not directly tied to supporting a service line but is directly linked to the operations of the recharge operation.

1. **% of Recharge Time on Direct Service**: Enter the % of projected effort spent performing a direct service for users for each service line listed. This should include effort spent providing ancillary support to the respective service line, such as maintenance/repair used by that service line, quality control of the finished product, etc.

***The % of Total non-service and direct service effort must equal 100%. Check column FC for accuracy.***

# 5\_EFFORT BILLABLE HOURS

The purpose of this tab is to allocate the total available hours for recharge activity for the individuals identified in the Effort & Service Allocations tab.

The following fields require input:

1. **Hours per Week**: Enter the scheduled hours per week for each employee. This should agree to the employee’s scheduled hours as reflected in Workday.
2. **Benefit Eligible/Benefit Ineligible:** Select the benefit type for each employee from the dropdown.
   1. *If the benefit type selected does not agree with current HR policy for the scheduled hours per week(i.e. Benefit Ineligible < 20 hours/week; Benefit Eligible >= 20 hours/week), you should enter a justification in the additional explanation box provided at the bottom of the tab.*
3. **Vacation Level**: Select the amount of vacation weeks allotted to each employee from the dropdown.
4. **Adjustment of Benefit Hours**: Enter any adjustments to modify the auto populated benefit hours per year for exceptions to the general rules. **Add explanations for each adjustment in row 40.**

When completing the above data fields, it is important to pay attention to the “**Are All Recharge Hours Allocated?**” field(G63). If this field says “No”, the total hours to be assigned to the recharge have not been fully allocated and should be reviewed.

# 6\_SALARY & FRINGE BENEFIT (FB) EXPENSE

The purpose of this tab is to capture total (from all funding sources) projected salary and fringe benefit expense for each individual identified on the Effort Billable Hours tab.

***Current year salaries should be used as a basis for the projections (whenever possible), with a reasonable***

***increase (or decrease).***

The following fields require input:

1. **Total Base Salary for Current FY**: Enter the employee’s total base salary for the current FY from **ALL** funding sources. The input should equal the employee’s base salary in Workday (the base salary doesn’t include bonuses, relocation reimbursements, etc.).
2. **Projected Increase/(Decrease) for Applicable FY:** Enter the projected increase or decrease to the employee’s total base salary for the applicable FY. The increase or decrease may be entered as a percentage(%) in column F or a whole number($) in column G. Choose **ONE** method for each employee.

The total projected base salary for the applicable FY should equal the employee’s total base salary that will be reflected in Workday for the applicable FY(the base salary doesn’t include bonuses, relocation reimbursements, etc.).

The above inputs calculate the allowable salary and fringe benefit expenses to be included in the recharge rate. As all recharge operations are on non-federal accounts, the non-federal fringe rate will always be applied to Benefits Eligible employees by Workday; however, the difference between the federal fringe rate and the non-federal fringe rate is an unallowable cost. *See Appendix A for more information on Allowable versus Unallowable Costs.*

# 7\_NON-LABOR EXPENSES

The purpose of this tab is to capture all non-labor expenses associated with the operations of the recharge.

The total costs should be assigned by expense category within three areas:

* **Total Year-to-Date Non-Labor Expenses for Current FY**
* **Estimated Non-Labor Expenses through end of Current FY**
* **Total Projected Non-Labor Expenses for Applicable FY**

Additional Information:

* **Equipment Purchases**: The government does not allow equipment to be included (i.e. purchased on a recharge account) in recharge rates but does allow a recharge to capture the associated depreciation expense related to the equipment purchased for the recharge in the rates.
* **Unallowable Expenses**: Unallowable expenses (listed in Appendix A) cannot be included in the rate charged to internal users; therefore, these expenses **must** be charged to a non-recharge account. Even if unallowable costs are excluded from the rate calculation, the University does not allow unallowable costs to be charged to a recharge account as those costs could be included in the surplus/deficit at year end. As the year-end surplus/deficit is factored into the next year’s rate calculation, these unallowable expenses may inadvertently be included in a future year rate. **The only exception is the unallowable portion of the fringe benefit rate due to system limitations. This unallowable portion of the fringe benefit expense must be covered by a subsidy transfer prior to the close of the fiscal period.**
* **Non-University Employee Labor Costs**: If non-University employees (ex. Hospital employee, Argonne employee) are paid to do work on the recharge, the individuals should be listed by name and title in rows 86 through 89 with an indication of the subaccounts charged in the recharge account. Since these are not University employees, they would be charged to non-salary/benefit subaccounts. These expenses should be broken out in this section and not duplicated in the rows above.
* **Passthrough Costs**: These are expenses where the goods or services are purchased by the Recharge and charged to users at cost(i.e. the charge is equal to the purchase price), without markup for recovery of other costs(i.e. administrative or other recharge expenses). The costs may be one of two types:
  + ***Service-related***: The costs are tied to a specific service and cannot be separated from the service that is being provided but is not included in the rate of the service(i.e. materials or supplies that are needed to complete the service but charged to the user at cost and not included in the service rate). Since these costs are not included in the rate calculations, they should not be duplicated in the rows above.
  + ***Standalone service:*** This is a standalone offering of goods and/or services that are sold to users at cost, without markup for recovery of other costs. The service may be purchased by users separately(not directly related to another service) or along with other services offered by the recharge. The cost must be added to the appropriate category in the Non-Labor Expense tab and the correct percentage allocated to the Pass-through service.
* **Federally Subsidized Non-Labor Costs**: Any costs related to the recharge that are not charged to the recharge account but rather to a Federal award should be listed in rows 71 through 75. Since these costs are not included in the rate calculations, they should not be duplicated in the rows above.

The following fields require input:

1. **Total Year-to-Date Non-Labor Expenses – Current FY**: Enter the total year to date non-labor expenses for the current fiscal year for each relevant expense category. The date range for this amount should match the cutoff date entered in cell B34 in the ‘General Information’ tab. For example, if the current year to date financials as of is 03/31/20YY, the total expenses entered here should be for the dates 7/1/20YY – 3/31/20YY.
2. **Estimated Non-Labor Expenses through end of – Current FY:** Enter the estimated non-labor expenses through the end of current fiscal year. For example, if you entered current year-to-date non-labor expenses in #1 for the dates, 7/1/20YY-3/31/20YY, here you would enter an estimate for the remaining months in the fiscal year, 4/1/20YY – 6/30/20YY.
3. **Total Projected Non-Labor Expenses:** Enter the total amount of non-labor expenses the recharge is expected to incur for the applicable FY.
4. **Explanation:** Provide a clear explanation based on the message in the cell to the left in column J. If the message is “OK”, no explanation is needed.
5. **% Allocation to Services:** Enter a % to allocate the costs to each service line based on estimated usage of services/supplies. If costs cannot be easily categorized by service line, it is recommended that the costs be allocated as a percentage of revenue. For example, if a recharge operation has five services (Service 1 generates 60% of total recharge operation revenue and Services 2-5 each generate 10% of total recharge operation revenue) and buys general supplies to be used for the entire recharge operation the cost of those should be allocated as 60% to Service 1 and 10% to Services 2-5.

***The percentage allocation must equal 100%. Check column DL for accuracy.***

1. **Variance Explanation:** If a message appears in A12, provide a clear explanation in the shaded box below. Your answer should clearly describe the driving factors behind the variance.

# 8\_EQUIPMENT

The purpose of this tab is to collect information regarding equipment used by the recharge to perform services for users. **It should be completed even if the recharge will not include depreciation expense in next year’s rates.**

The information in this tab must agree to the University Property Management System. Please contact [capitalassets@cticket.uchicago.edu](mailto:capitalassets@cticket.uchicago.edu%20)  if you are unsure of the accuracy of the information for existing equipment.

All equipment used by the recharge (regardless of what account is charged) should be included in this worksheet as this should be a complete inventory of recharge equipment.

***Anticipated equipment purchases for the applicable fiscal year should be entered at the bottom of this tab in the ‘Untagged Recharge Equipment’ section.***

The following fields require input:

1. **Main Asset#:** Enter the property tag# for the asset. This field represents the University Asset Tag number physically affixed to the recharge equipment. Some equipment may not be taggable and within the University Property records is assigned a “Y” asset number. This number should match PMS.
2. **Component#**: Enter the component# for the asset(if assigned). This field represents the University Asset Component number used to identify a component that must be connected to a main asset to function. It is found in the PMS list next to the main asset #.
3. **Asset Leased by Recharge?**: Select yes or no from the dropdown list. This field asks if the recharge equipment is being leased instead of purchased by the recharge. If the response is “Yes”, the depreciation is not included in recharge rates. However the lease payments should be included in the non-labor expenses tab.
4. **% Utilized by the Recharge**: Enter the percentage of the asset utilized by the recharge. This amount is generally 100% unless the equipment is shared with non-recharge activities.

**UNTAGGED RECHARGE EQUIPMENT**

This section is at the bottom of the 8\_Equipment tab beginning at row 157. It should only be completed if the recharge is currently using equipment that has not been tagged for some reason and the main asset# cannot be found in the current property list. This section should also be used to list anticipated capital equipment purchases for the applicable fiscal year. Enter an estimate for the equipment amount as well as the expected purchase date/month. **ALL** shaded columns must be completed.

# 9\_DEPRECIATION EXPENSE

The purpose of this tab is to calculate the depreciation expense per year that is allowable to be included in the rate calculation as well as the actual amount that will be included in the recharge rates per the recharge operation manager’s instructions.

***It should only be completed if the recharge wants to include depreciation expense in the next year’s rates.***

Additional Information:

* If the equipment will be purchased between July – December, the unit will be able to include depreciation expense for this equipment in the rates.
* If the equipment is anticipated to be purchased in the second half of the next fiscal year(January – June), depreciation expense will not be applied until the subsequent fiscal year.
* Some recharge operations are heavily subsidized and therefore, may elect to not include depreciation expense in their rates.
* Recharge operations should reach out to their respective Division representative to determine if they should or should not include depreciation expense.

The following fields require input:

1. **Percentage of Depreciation Included in Rates**: Enter the percentage of the total allowable depreciation to be included in the rates. If the response to the question in cell A50 in the ‘General Information’ tab is “Yes”, a percentage should be entered here for each asset that will contribute depreciation expense to the applicable year’s rates.
2. **% of Depreciation Allocated to Services**: In row 178, enter a % to allocate the depreciation that will be included in the rates for each service line that utilizes the associated equipment. The allocation should be the estimated percentage of usage to each service line. For example, if a microscope is equally utilized between Service Line 1 and 2, the % allocation between the two services should reflect 50% for each.

***The percentage allocation must equal 100%. Check column CY for accuracy.***

# 10\_SD IN AGGREGATE

The purpose of this tab is to ensure any surplus or deficit (“SD”) for the current year is factored into the rates as all recharges should be operating at breakeven.

This tab is not applicable for new recharge operations but must be completed by any recharge that has been existence more than one fiscal year. The aggregate surplus or deficit can be determined by reviewing the recharge GL account.

**Q**: How do I know what GL account relates to my recharge?

**A**: Within FAS, you can determine what GL (general ledger or 0 ledger) account is mapped to your recharge account. Go to inquiry screen 5 and the top right column will show a field named map code. The map code is your GL. For example, if the map code shows ‘12345’ then the GL account mapped to the recharge account is 0-12345.

**Q**: I found my GL recharge account, but how do I determine the surplus or deficit?

**A**: Subsidiary ledgers (ledgers 1-9) are accounts that show activity by fiscal year. Each year, the SL account ends the year by either taking in more revenue than expense (surplus position) or incurring more expenditures than revenue (deficit position). At the end of each year, the surplus or deficit zeros out in the SL account but the balance becomes part of the Fund Balance in the GL (for recharge accounts this is account control 3120). The fund balance is the accumulation of each individual year’s surplus or deficit. The fund balance can be viewed either in the mainframe (screen 14) or within eLedgers or by running a Business Objects report. If a fund balance is a credit (-) balance, this indicates an overall surplus position and a debit balance (+) indicates that the recharge is in an overall deficit position.

***A detailed explanation regarding the completion of this tab is available within the worksheet as well as below. The revenues in note 2 should be based on the most current completed month within the fiscal year and note 3 should be an estimate of revenues for the remaining months within the fiscal year. The expenses in note 5 should be based on the most current completed month within the fiscal year and note 6 should be an estimate of expenses for the remaining months within the fiscal year.***

|  |  |
| --- | --- |
| **Note** | **Instructions** |
| **1** | Enter the total in the recharge GL account (**account control 3120**) at the end of the **prior** fiscal year. The applicable fiscal year will appear in the "FY" column next to the amount box. Enter the amount as a negative if a surplus and positive if a deficit. This prior year (surplus)/deficit will be rolled into next year’s rates in an effort to move towards breakeven. |
| **2** | **ALL USER REVENUES** associated with a recharge must be captured in the recharge's account(s) to be associated with the related operating expenses. Enter the most current year to date revenue amount charged to the recharge account **in subaccounts 0800/0899.** |
| **3** | If the amount entered for note 2 does not capture the revenue for the entire fiscal year, enter an estimate of the revenue for the remainder of the fiscal year. The revenue should be separated by usage, billing and passthrough. |
| **4a** | If the recharge ended the prior fiscal year with a deficit fund balance but the subsidy transfer to cover the deficit was not posted to the recharge account in the appropriate fiscal year(i.e. JE to cover FY2023 ending year deficit not posted until FY2024), the amount should be entered here. This also includes any prior year unallowable fringe benefit coverage(9499). |
| **4b & c** | This line item is applicable to centers that charge users a subsidized rate. This is acceptable, but it means that all or a subset of users do not bear the calculated cost of providing the service. Instead, a subsidy is provided to cover the deficit that implicitly results. This subsidy amount or, in other words, the revenues that would have been earned if the calculated rates were charged to all users, cannot be reflected in a carry forward amount that is incorporated into the next year's rates. A planned subsidy should be affected via a non-mandatory transfer of revenue into the operating account. Enter the Planned Subsidy amount **for any transactions that have already occurred year to date**. |
| **4d** | If the recharge receives vendor rebates and the credits were applied to revenue subaccounts, the amount should be entered here. Rebates should not be applied to revenue but to expenses in order to not overstate costs in the rate calculation. Enter the amount as a positive number. |
| **5** | **ALL OPERATING EXPENSES** associated with a recharge must be captured in the recharge's account(s) to be associated with the related revenues. Enter the most current year to date operating expense amount charged to the recharge account. |
| **6** | If the amount entered for note 5 does not capture the operating expense for the entire fiscal year, enter an estimate of the expense for the remainder of the fiscal year. The expenses should be separated into the above categories.  *Note: This should not include equipment depreciation expense not yet charged to the recharge account since this is captured in note 7 below.* |
| **7** | This line item is only applicable to recharges that have depreciating capital equipment (or other items determined to be treated as if they were capital) AND for which user rates include all or some subset of the associated depreciation expense. In these cases, the recharge's operating account is charged for depreciation expense and the recharge equipment purchase account (ledger 8 plant fund account) is credited. ***If the recharge's operating account has not yet been charged for the full years’ worth of depreciation as of the date this rate template is prepared, enter the appropriate remaining amount here (e.g. as Financial Services records depreciation monthly, this should typically be only one or two months of depreciation expense depending on the timing of when the rate template was completed).*** |
| **8** | Federal cost accounting standards prohibit the inclusion of the costs of a dependent tuition benefit program in user rates or surplus/deficit calculations (i.e. the difference between the University benefit rate and the Federal benefit rate is this unallowable dependent tuition remission). The dependent tuition benefit is a portion of the total nonfederal fringe benefit rate which recharge operating accounts bear. Therefore, this percentage of the recharge benefits-eligible salaries and wages should be excluded from this calculation. It is calculated by reducing benefit expense charged to the recharge account in the current fiscal year by the difference between the University and Federal benefit rates. **NOTE: This amount is automatically calculated by the template if an amount is entered into 8a. An amount is entered into 8a if benefit eligible fringe benefits were charged to the recharge account in the current year AND they were not either moved off of the account or subsidized as of the preparation of the rate template.** The calculated amount will appear as a negative amount to reduce the expenses. |
| **8a** | Enter the current year to date benefit eligible fringe benefits (**subaccounts 1901 and 1902**) charged to the recharge account during the fiscal year in the box provided. If the unallowable benefit expense has already been transferred off of the recharge account or a subsidy entry was made which covers this amount, **zero** should be entered in the box provided. |
| **8b** | Enter estimated benefit eligible fringe benefits (subaccounts 1901 and 1902) to be charged through the end of the fiscal year. |
| **9** | Enter vendor rebates received by the recharge during the current fiscal year in this cell. It should be entered as a negative number and the formula will add the amount to total expenses. |
| **10** | The percentage of the (surplus)/deficit to be incorporated in the rate calculation for the indicated fiscal year is entered into this cell. The percentage is provided by the recharge and is used to calculate the amount to be included. It is based on the Net (Surplus)/Deficit calculation and an evaluation of how much of the net (surplus)/deficit can be applied in this coming year, versus spreading out over multiple years. Whenever possible, the full amount of the net (surplus)/deficit should be included in the next year’s rates unless it will cause a large decrease or increase to the rates that cannot be absorbed by users all in one year. |
| **10a** | If the **full** amount of the net (surplus)/deficit from the current fiscal year **will not** be carried forward and included in the applicable fiscal year rates, please use the box provided to explain the details and plan for incorporating the amount over future years. If the deficit will be covered by a subsidy, please include details about the funding source and amount expected. |

Allowable expenses are summarized in the ‘Projected Expenses for Applicable FY’ section at the top of the sheet and are based on inputs from prior tabs.

# 11\_RATE CALCULATION PROPOSAL

This tab summarizes all information from previous tabs that should or should not be included in the proposed billing rate for internal users.

The following fields require input:

1. **(Surplus)/Deficit to Include in Rates from SD in Aggregate:** Enter a % to allocate the amount of (surplus)/deficit calculated in the “SD in Aggregate” tab to be included in the rate calculation to each appropriate service line. ***See cell D35 in this tab for the total amount that should be allocated.*** The recharge determines how to allocate the (surplus)/deficit to services based on the estimated % attributable to each.
2. **Planned Subsidy to Reduce Rates(Rate Subsidy)**: If the recharge operation is aware of or has an existing agreement whereby the department/division is providing a subsidy to the recharge to keep rates low, this subsidy amount (e.g. $50,000) should be entered on this line. If the subsidy is to support all service lines, the subsidy amount should be allocated evenly (e.g. $50,000 subsidy is allocated across 5 service lines and therefore, the planned subsidy amount for each service line should reflect $50,000/5=$10,000). If the subsidy is for specific service lines, the amount should be allocated proportionally to those respective service lines.
   1. **Explanation:** If internal rates are reduced below cost through a rate subsidy, you must explain the reason in the box provided. The explanation should include how the proposed rates were determined, who authorized charging rates below cost and why rates based on the full cost cannot be charged to users.
3. **Proposed Billing Rates for Applicable FY**: See below for guidance on completing this section. These rates should tie to the rates posted on the recharge website or price list for the applicable fiscal year.
   1. ***Internal Rates:***  Not input required. Equal to the Calculated Billing Rate in row 75.
   2. ***External Affiliated Rates:*** Not input required. Equal to the proposed internal user rate in row 85.
      1. **Is the External Affiliated Rate Used for the Services(Yes/No)?** Select yes or no from the drop down.
      2. **If the external affiliated rates are used,** you must list the names of the external organizations or external user categories that are eligible for the rate in the shaded boxes below each appropriate service in row 91. Please see the instructions in C92 and C93 in the rate template for additional instructions related to attaching Memorandum of Understanding.
   3. ***External Academic/Non-Profit Rates:*** No input required. Equal to the calculated billing rate in row 78.
      1. **Surcharge for External User(if applicable):** If external users in this category are charged a surcharge in addition to the rate, please enter the amount in row 99 for each service.
      2. **Is the External Academic/Non-Profit Rate Used for The Services(YES/NO)?**: Select yes or no from the drop down.
      3. **If this rate is used, were market rates reviewed to make sure rates are not below market(YES/NO)?** Since the primary purpose of recharge operations should be to provide services for the benefit of internal departments and users, external rates should not be set lower than market rates to avoid competition with local businesses providing similar services. As such, recharges are responsible for conducting research of market rates and keeping documentation of findings on file in case of an audit.
   4. ***External Commercial Rates:*** See instructions for External Academic/Non-Profit Rates(c.)

**PROJECTED YEAR-END DEFICIT/(SURPLUS) FOR APPLICABLE FY**

The purpose of this section is calculate the anticipated revenues and expenses for the applicable fiscal year based on the above inputs.

In row 138, enter other subsidies the recharge will receive in the applicable fiscal year that is NOT year-end deficit coverage.

**ALTERNATIVE PRICING STRUCTURE & DISCOUNTED RATES**

The purpose of this section is to gather information from recharges who use alternative pricing structures or offer some form of discounts to users. Some recharges may experience special circumstances which call for rates utilizing an approach different from the general rate calculation*.*

**!DO NOT COMPLETE THIS SECTION IF THE RECHARGE DOES NOT OFFER RATES TO USERS UNDER AN ALTERNATIVE PRICING STRUCTURE!**

***For recharges that receive subsidies from the Cancer Research grant and provide discounts to certain users, please include this discount and explanation (including reconciliation of discounts to subsidies) in the template. If additional space is needed to fully explain the rates, please attach supporting documentation to be retained by Financial Services and the recharge****.*

***Any departure from the standard rate calculation must be approved by Financial Services in advance.***

Additional Information:

* Discounts are offered to all users (no discrimination)
* Recharge is not recovering more than total cost in any FY (i.e. breaks even or has a deficit that is subsidized).

The following inputs are required:

1. **Pricing Structure Type**: Select the pricing structure type from the dropdown list in C157.
2. **Rate by User Type**: Enter the alternative pricing/discounted rates for the appropriate user type in rows 159-162.
3. **Special Rate Criteria**: Enter a description of the criteria for receiving special rates in C165. Please provide as much detail as possible. If there is different criteria for each type of user, please list each one.
4. **Special Rate Methodology**: Enter a description of how the special rates were determined in C168. By “how”, we mean, show the calculation that was used to determine the rates or provide any supporting documentation that clearly explains how and why the alternative pricing was implemented.

# 12\_FB Coverage Calc

This tab is primarily used to make sure that the additional revenue from external customers covers the unallowable fringe benefit expense charged to the recharge account when the cost is not transferred off or subsidized.

It is also used to estimate the amount of current year revenue that was generated based on the difference between the internal rate and external rates.  If the recharge has no external customers or the external rates are the same as the internal rates, then most likely, the fringe benefit expense will not be covered and will have to be transferred to a non-recharge account or covered by a subsidy.

The following fields require input:

* + 1. **Billing Rates for CURRENT FY**: Enter the current year rates by user type and for each service. The current year rates should match to the rates on the recharge website or price list. They should be the rates the recharge is currently charging users for services.

Additional Information:

* **Utilization -** The current year utilization comes from the Rate Calculation Proposal tab. It is important that the current year utilization amounts by user type and service match the recharge operation usage records and are as accurate as possible. This information should be maintained by the recharge operation based on service requests.
* **Revenue -** The revenue is calculated using formulas that multiply the utilization by the rates.
* **Additional Revenue Over Internal Rates -** The additional revenue is calculated using formulas that calculate the revenue using internal rates for all users and subtracting it from the revenue generated using actual rates.

Total estimated additional revenue for the current year is compared to the unallowable fringe benefit expense for the current year (coming from the SD in Aggregate tab). If the additional revenue is greater than the unallowable fringe benefit expense, the message will say ***“OK-FB Covered by External Revenue”***. If the additional revenue is less than the unallowable fringe benefit expense, the message will say ***“FB Not Covered by External Revenue”***. In this case, the recharge should subsidize the portion of the FB expense that is not covered.

* **Grand Total Current Year Revenue Calculated Above** - Equals the current FY utilization by user type for each service multiplied by the established billing rates for current FY for each user type and service. This amount should tie to the current total year-to-date user revenue(cell G18) and the estimated additional user revenue through the end of the current year(cell G21) in the SD in Aggregate tab.
* **Total Revenue per SD in Aggregate -** This total should equal or be within +/- 10% of the total in cell E67 in the FB Coverage Calculation tab. It is intended to check the accuracy of the current FY utilization by user type entered in the Rate Calculation Proposal tab and the FB Coverage Calculation tab.

# INFORMATIONAL ONLY

# *Current Rates vs Proposed Rates:* Provides a side by side comparison of current fiscal year rates to proposed applicable fiscal year rates for each service and by user type.

# *Master List\_Approved Rates:* Final list of approved rates for the applicable fiscal year.

# Appendix A: Allowable versus Unallowable Costs

## Allowable Costs

Generally, direct operating costs associated to the recharge operation are considered allowable.

1. Salaries and wages of employees working for the recharge operation (Note: Salaries/wages of administrative support staff for the recharge, such as the billing specialist, is allowable. Salaries/wages of general administrative or central administrative staff is not allowed.). **All** salaries and wages for recharge effort should be charged to the recharge account (except in cases where the recharge is subsidized by a sponsored award). If salaries are to be subsidized by the department, they should initially be charged to the recharge account and then a subsidy brought in from departmental funds.
2. Fringe benefits for the Benefits Eligible – Federal Rate or Benefits-Ineligible employee rate (the fringe benefit rates are available at the URA website: <http://ura.uchicago.edu/>).
3. Supplies and Materials (consumables)
4. Equipment Service Contracts
5. Equipment Depreciation
6. Repairs and Maintenance
7. Sub-contracts and Other Outside Services

## Unallowable Costs

For purposes of calculating recharge rates, certain costs are deemed unallowable by the government and should not be factored into the rate calculation template (please also refer to University Policy 1013: Unallowable Costs for additional information on the costs below). Unallowable costs should be charged to a non-recharge account. The following are unallowable costs:

1. Advertising Costs
2. Alcoholic Beverages
3. Alumni Activities and Relations
4. Automobiles and Other Transportation for Personal Use or Benefit of Employees
5. Bad Debt Losses
6. Business Meals and Social Activities\*
7. Commencement and Convocation Ceremony Costs
8. Contingency Provisions
9. Equipment Purchases\*\*
10. Fines and Penalties
11. Fundraising Costs
12. Fringe benefits in excess of Benefits Eligible – Federal Rate
13. GEMS Card Charges (subaccount 9910/9913)
14. GEMS Card Bank Service Charges
15. Gifts to Employees
16. Housing and Personal Living Expenses for University Offices
17. Institutional Donations and Contributions
18. Interest Costs for Internal Loans
19. Investment Management Costs
20. Lobbying Costs
21. Membership for Civic, Community, Social, Travel or Dining
22. Miscellaneous Charges (subaccount 9912)
23. Pension Costs
24. Public Relations
25. Student Activity Costs
26. Travel costs in excess of lowest available commercial discount airfare, Federal Government contract airfare or customary standard (coach or equivalent) airfare.
27. Trustee Expenses
28. Costs included in the F&A calculation:
    1. Building Depreciation
    2. Interest
    3. Operations and Maintenance (*some exceptions for extra service*)
    4. Library
    5. Central Administrative Expense (i.e., Payroll/HR)

*\**Business Meals and Social Activities are sometimes unallowed costs on federal grants and alcohol is never an allowable expense on federal grants. As such, the University recommends that business meals and social activities only be charged to a recharge account if they are integral to the services being rendered to customers.

*\*\**Equipment is not an allowable cost on recharge accounts; however, a recharge operation is allowed to include associated equipment depreciation expense in their rate calculation. For additional information on depreciation, refer to the **Recharge Procedure Manual**.