Overview

All Specialized Service Facilities (SSFs) and Recharge Centers (as defined in Yale’s Policy 1410 Internal Service Providers) must calculate its rate(s) in accordance with Yale’s Procedure 1410.02 Internal Service Providers: Rate Calculations.

The Rate Calculation Form and the instructions below are tools to assist ISPs in the calculation of its rate(s). The Manual Rate Calculation Form can be found here 1410 FR.14

I. Rate Calculation [Form 1410 FR.14A (first tab of workbook)]

Input fields are highlighted in blue and calculated fields are highlighted in yellow on the manual form.

Section A. Worksheet Information

Provide:

• Full name of the ISP;
• Journal Source Identifier (JSID);
• Product and/or service for which the calculation is supporting; and
• Project
• Program
• Cost Center
• Yale Designated, to which expenses will be accumulated or were accumulated (if for previous fiscal year).

Section B. Column Headings

The columns in Section B are identified as follows representing:

• (B1) the most recent closed fiscal year;
• (B2)* Fiscal Year-to-Date April of the current fiscal year
• (B3) the current fiscal year; and
• (B4) the future fiscal year (the one for which the rate is being calculated)

* If there is more current information at the time the rate is being calculated, change the time periods as appropriate.
Section C. Personnel
The personnel costs are automatically populated from the Personnel Worksheet Form 1410 FR.14A1 (second tab of workbook) for next year.

Section D. Other Federal Recoverable Costs
To calculate recoverable costs, input into the corresponding lines, within the appropriate column, all allowable expenses (not included in Section C above) in the ISPs budget for the most recent closed fiscal year and the current fiscal year through the most recent closed month. Itemize expenses, including spend category. Project annual expenses for the current fiscal year and for the year for which the rate is being calculated.

Section E. Other Adjustments
Other adjustments are allowable expenses for rate calculations that do not appear on departmental operating statements, such as moveable equipment depreciation, building and fixed equipment depreciation, allowed interest expense and other property expenses for operations and maintenance.

Note: If the ISP intends to include equipment depreciation amounts in its rates, the Workday report Find Assets by Cost Center – Yale will provide information to calculate depreciation in current and future fiscal years.

If the ISP includes other types of cost not already mentioned in this Section, e-mail isp@yale.edu for assistance in determining the correct amounts to include.

The Subtotal for Section E. is automatically calculated and then populated.

Section F. Surplus Carryforward or Deficit Carryforward
Unless the year for which the rate is being calculated is the initial year of operation, input the federal surplus that exceeds 60 days of operating capital, if any, or unplanned federal deficit into (B4, column I). This will adjust future year rates to reduce the surplus or recover the deficit. If you do not wish to recover the deficit, do not enter the deficit. Surpluses must be included unless there is a plan, approved by the Controllers Office, in place to reduce it gradually over time. Calculation of these amounts is described in Section III. below.

Section G. Recoverable Federal Costs
This amount is automatically calculated and then populated.

Section H. Federal Unrecoverable Costs
Input the remaining expense items, by spend category, for the ISPs costs that are unrecoverable in the sponsored rate. Some common ones are presented in the spreadsheet. The Subtotal for Section H. will be automatically calculated and then populated.

The total of the ISP costs will automatically calculate. A non-sponsored rate will automatically be calculated based on these amounts. The ISP is not obligated to charge internal non-sponsored rates.
Section I. Projected Usage
Based on past and current usage trends, calculate projected usage for the next fiscal year, taking into account anticipated usage fluctuations and/or change in operations. ISPs must maintain documentation supporting usage projections.
Input the unit measure of usage being projected in highlighted area (i.e., hours, tests, liters, etc.)

Section J. Internal Sponsored Award Rate
This rate field will automatically calculate by dividing total projected recoverable federal costs (G.) by total projected usage (I.) and will provide the highest rate that may be charged to sponsored awards.
Actual rates to be charged for sponsored customers must be input in section N. below.

Section K. Internal Non-Sponsored Rate
The internal non-sponsored rate field will automatically be calculated from the expenses input in section H. above [(H.) + (I.)] plus the internal sponsored rate (J.), and will provide the highest rate that may be charged to internal non-sponsored funds (e.g., general appropriations or special use funds). The ISP is not obligated to charge a non-sponsored rate.
Actual rates to be charged for non-sponsored customers must be input in section N. below.

Section L. External Sponsored Rate
The calculated external sponsored rates equal the calculated internal sponsored rate (Section J) plus a factor for overhead. The current negotiated F&A rate has been included on the rate form and will be updated as needed. The external non-sponsored rate will be automatically calculated, whether or not it will be charged. (J.) * (1+F&A rate).

Note: If external customers are known to be paying with federal funds, the rate charged may not be higher than the internal sponsored rate, plus the full F&A rate.
Actual rates to be charged for external non-sponsored customers, if any, must be input in section N. below.

Section M. External Non-Sponsored Rate
The external non-sponsored rates include all the unallowable costs included in the internal non-sponsored rates, as well as a factor for overhead costs. Whether or not a non-sponsored internal rate will be charged, those costs, as well as the overhead component will be included in an external non-sponsored rate. The current negotiated F&A rate has been included on the rate form and will be updated as needed. The external non-sponsored rate will be automatically calculated, whether or not, it will be charged. (K.) * (1+F&A rate).
Actual rates to be charged for external non-sponsored customers, if any, must be input in section N. below.
Section N. Actual Rates to be Used
Input the rate the ISP intends to use, whether or not it equals the calculated rate. The difference between what will actually be used, and what is calculated for break-even, will result in an over/under-recovery of expenses.

Section O. Departmental Subsidy
The Department Subsidy or under-recovery is presented in this section. If an under-recovery is anticipated, identify in the Indicate Source box the funding source supporting the departmental subsidy. Please note, the Internal Sponsored actual rate and the External Sponsored actual rate, must not exceed their respective calculated rates.

II. Personnel Worksheet [Form 1410 FR.14A1 (second tab of workbook)]
List all personnel who work in the ISP and their next year annual salary. The rates change annually and must be updated with the current negotiated federal fringe benefit rates. The next year annual salary and fringe benefits total by person will calculate automatically. Input the % effort expected to be spent on the ISP (e.g., if staff works ½ time on ISP, input 50% in the % Effort column) next year. ISP Salary and Fringe for next year will automatically populate. The other three columns (B1, B2 and B3) for the prior year and current year must be manually entered. Totals will automatically calculate and populate on rate sheet (1410 FR.14A, tab one, Section C).

III. Fund Balance Worksheet [Form 1410 FR.14B (third tab of workbook)]
ISPs must calculate the federal surplus or deficit to determine whether any amounts for surplus or deficit should be included in future rate calculations, what amount of planned deficit will be funded by alternate sources, and what amount, if any, may be transferred to a capital reserve account. A simple review of the fund balance of University statements is not adequate because there are differences in what may be charged on the University operating statements and what may be included in the surplus or deficit calculation under federal costing requirements.

To calculate the federal surplus or deficit for the first time, use the first column of the spreadsheet. Input the fiscal year being calculated into column heading. [Note: ISPs that began operations prior to FY2009 should start with FY2009 for this calculation, as that is the first full fiscal year in which the new policy took effect.]

Input the Internal ISP Revenue, External ISP Revenue, Other Internal Income Allocations, Other Revenue and Total Operating Expenses on appropriate lines from final Adjusted University Statement of choice.

Input unallowable cost exclusions and other revenue adjustments, including the removal of discounts and premiums to the ISP rates and other revenue not related to the ISP service, into the worksheet. The Surplus or Deficit using federal costing requirements for the most recent closed fiscal year will automatically calculate.

For the initial year of the ISP rate calculation, input both the beginning federal fund balance and beginning book fund balances on appropriate lines. Future beginning fund balances will be calculated using net income/expense and fund balance transfers input into the worksheet.

Input fund balances transfers that are allowed by federal regulations (e.g. transfers in) under “Federally Allowed Fund Balance Transfers”. The ending fund balances, both federal basis and book basis, will be automatically calculated.
If the ending federal fund balance is greater than the amount needed to cover 60 days of the ISPs operating expenses, “Working Capital Reserve > 60 days (Y/N) will be indicated as “Y” in each year where that applies. The amount in excess of 60 days must be included in the rate calculation as described in Section F. above. An unplanned federal deficit should also be included in the rate calculation to recover costs in the subsequent budget year. If the deficit was planned and/or rates will not be increased in future years to recover the cost, the budget office must approve the deficit, and alternate sources of funding must be identified and transferred in to eliminate the federal fund balance deficit.

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