

Form 1410 FR.14 Instructions

Internal Service Providers: Rate Calculation

(Manual and Automated)

Revision Date: 05/30/2014

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 [1410FR.14](#), and the automated form is located within YBT (see instructions in Section IV below). When completing the form ensure that all amounts are input as positive numbers.

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

Section A. Worksheet Information

Provide in the highlighted area of the worksheet the:

- Full name of the ISP;
- Source System Identifier (SSI);
- Product and/or service for which the calculation is supporting; and
- PTAO 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)* the midpoint of the current fiscal year or the sixth month 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).

Section D. Other Federal Recoverable Costs

To calculate recoverable costs, input into the corresponding lines, within the appropriate column, all allowable expenses 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 expenditure types. Annualize the

current fiscal years expenses based on the most recent closed month and project an amount 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 depreciation amount can be accessed through the use of the MEI on-line system. Departments without access may contact mei.admin@yale.edu to request the depreciation amount.

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 (if it exceeds 60 days of operating capital) or unplanned federal deficit into (B4). This amount will populate from the “**Ending Federal Fund Balance Line**” of 1410 FR.14B (third tab of workbook). This will adjust future year rates to reduce the surplus or recover the deficit. If you do not wish to recover the deficit, this amount can be deleted from the spreadsheet. Surpluses must be included unless there is a plan, approved by the ISP Standards Committee, 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.

H. Common Federal Unrecoverable Costs

Input the remaining expense items, by expenditure type, of the ISPs budget that are unrecoverable in the sponsored rate. The total of the ISP budget will automatically calculate. A non-sponsored rate will automatically be calculated based on these amounts. The ISP is not obligated to charge non-sponsored rates. Some common ones are input on the spreadsheet.

The **Subtotal** for Section H. is will automatically calculated and then populated.

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 type of usage being projected in highlighted area (i.e., hours, tests, liters, etc.)

Section J. 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 M. below.

Section K. Non-sponsored Rate

The non-sponsored rate field will automatically be calculated from the expenses input in section H. above $[(H) \div (I)]$ 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 M. below.

Section L. External Rate

The external rates include all the unallowable costs included in the 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 rate. The current negotiated F&A rate has been included on the rate form (update as applicable). The external rate will be automatically calculated whether or not it will be charged. $(H) \div (I) * (1 + \text{F\&A rate})$.

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 full F&A rate.

Actual rates to be charged for external customers, if any, must be input in section M. below.

Section M. 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. If an under-recovery is anticipated, identify in the Indicate Source box the funding source supporting the departmental subsidy.

II. Personnel Worksheet [Form 1410 FR.14A1 (second tab of workbook)]

List all personnel who work in the ISP. Input the Full Time Equivalent (FTE) salary for each person. Check that the correct negotiated fringe benefit rate is applied. The FY15 rates have been input into the form for ease of identification. The rates change annually and must be updated with the [current negotiated fringe benefit rates](#). The FTE salary and fringe benefits will calculate automatically. Input the FTE spent on the ISP (e.g., if staff works ½ time on ISP, input .5 into FTE column). ISP Salary and Fringe for the year for which rate is being calculated will automatically populate. The other three columns must be manually input. 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 should 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 who 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 Revenue, External 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, other exclusions and other adjustments 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 (transfers in or capital reserve transfers out for depreciation recovery) under "Federally Allowed Fund Balance Transfers" and all other fund balance transfers on the "Other Fund Balance Transfers" line. 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.

IV. ISP Automated Rate Calculation Instructions

- **NOTE:** This is a tool that should be used to aid in the calculation of ISP Rates. Users of this tool are responsible for the accuracy and completeness of their ISP Rate Calculations. ISP Rate Calculations are not required to be set using this tool and can still be performed manually if preferred.
- Log into the Yale Portal: <http://portal.yale.edu/staff>
- Click on "YBT Excel Client" under "Yale Services" along the right hand panel:

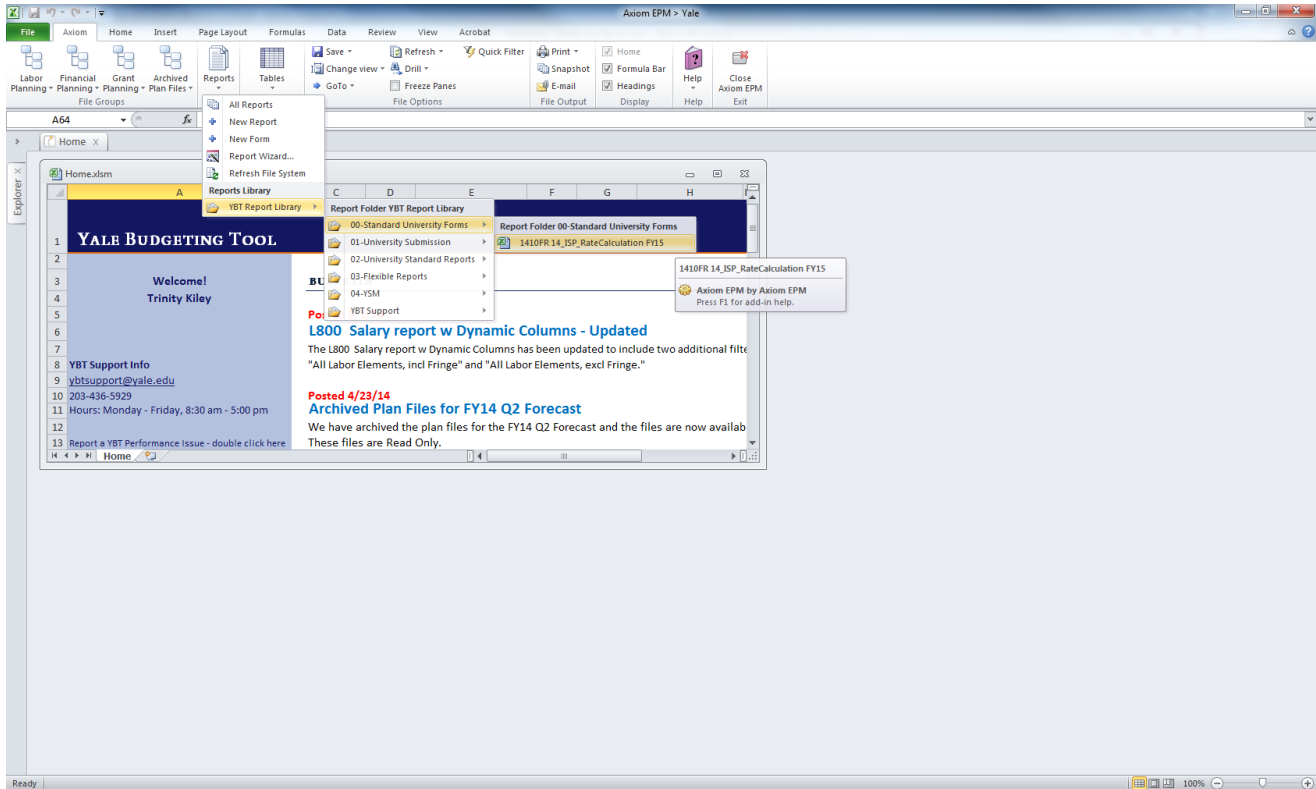
The screenshot shows the Yale Portal staff page. The browser address bar displays <http://portal.yale.edu/staff>. The page layout includes a header with navigation links, a main content area with news and announcements, and a right-hand sidebar titled "Yale Services".

In the "Yale Services" sidebar, under the "Business systems" section, the link "YBT Excel Client" is highlighted with a red box. Red arrows point from the text instructions to this link.

Other visible links in the sidebar include:

- My Yale:** My Benefits, My Pay and Info, My Time, My Talent Profile, Employee Service Center, Human Resources, Learning Center, Lynda.com Online Software Training, Managing at Yale, Recreation-Gym Membership, STARS - Jobs at Yale, TMS-Training & Certification, Yale HEALTH, MyChart, More...
- Yale Services:** Business systems (BMS/Make it So, Effort Reporting System (ERS), Surplus Exchange, Procurement (eProcure), Expense Management (ERS), Excess Shipping (eShipGlobal), Financial Reports for FAS, IRES View, IRES Reporting, STARS - For Managers, YBT Excel Client, YBT Web Client), Time approval & reporting (Time approval & reporting, Time approval & reporting (Lite)), Resources (Email, ITS Help Desk, Manager's Toolkit, Secure File Transfer, Shuttle Services, Software Library, Yale Business, Yale Shared Services, Yale University Library).

- Once in YBT, navigate to the “Axiom” tab at the top, then to:
- Reports\YBT Report Library\00-Standard University Forms\1410FR 14_ISP_RateCalculation FY15



- Once in the form, navigate to the first tab of this Excel file labeled “Filter Wizard”.
- From the drop down menu on this tab, select the project and/or organization code in the yellow high-lighted cells for your ISP.
- At the top, in the “Axiom” tab, click “Refresh” to run the report.
- Please allow the report to run until completion, which can take several minutes.
- Once the report is populated with information from YBT, you can save the file as a normal Excel file outside of YBT by taking a “Snapshot” of the file. This is a function that copies and pastes the values in the report from YBT into a normal Excel file.
 - Navigate to the “Axiom” tab at the top, then click on “Snapshot”.
 - Select “Retain Excel Native Formulas”. Information pulled from YBT will be copied and pasted as values into Excel, but formulas that are setup within Excel will be retained. For example, sum functions and links between the tabs will be retained by selecting this option.
 - Do not select “Convert all Formulas”. This option copies and pastes all information as values into Excel.
 - Select “All Sheets in File” click “OK”
 - Navigate to the “Axiom” tab at the top and click the “Save” drop-down menu. Select “Save As (Local File)”.
 - Save the file in the local drive outside of YBT that you prefer and make any changes you feel necessary.
 - Users of this tool are responsible for the accuracy and completeness of their ISP Rate Calculations.

- Please note that yellow high-lighted cells on all tabs of the file are to be populated manually.
 - These cells are not automated from YBT.
- Please note that YBT is pulling **current** salary, fringe and employee data. Therefore, feel free to update this as you see fit to reflect the most accurate, complete, and reasonable information.
- We would like to recommend a helpful report in YBT that can be used to review activity in your ISP:
 - In the “Axiom” tab at the top, select Reports → YBT Report Library → 03-Flexible Reports → F700 Natural Hierarchy w Dynamic Columns.
 - You can select additional scenarios you would like to view in rows 13-15.
 - For example, you can add a fiscal year you would like to see by populating the fiscal year in row 13 and the type of information in rows 14 (ie “Full Year”) and 15 (ie “Actual”).
 - At the top, in the “Axiom” tab, click “Refresh” to run the report.
 - Select the filters you would like to run the report on and click “Ok”.
 - Alternatively, if you would like to run the report for a specific Project and Task or Org Code:
 - Navigate to cell AE10, where it says “RIGHT CLICK HERE” and insert the following:
 - To run by Project and Task: PROJECT.PROJECT = ‘xxxxxxx.xx’
 - To run by Org Code: ORG.ORG = xxxxxx
 - Populate for the ISP you are interested in reviewing.
 - At the top, in the “Axiom” tab, click “Refresh” to run the report.
 - Select the filters you would like to run the report on and click “Ok”.
 - You can also use the Axiom Wizard to select the Project and Task or Org Code you would like to review.
 - Navigate to cell AE10, where it says “RIGHT CLICK HERE”, then select Axiom Wizards → Filter Wizard → Advanced Filter → !Dimensions → PROJECT or ORG) → PROJECT or ORG.
 - Click on any Project or Org Code listed in the right column to view a preview of how the cell needs to be populated. Click “Replace” and change the Project and Task number or Org Code in the “Filter” section to the ISP you are interested in reviewing. Click “Ok”.
 - At the top, in the “Axiom” tab, click “Refresh” to run the report.
 - Select the filters you would like to run the report on and click “Ok”.

If you have any questions about completing the Rate Calculation Form, or if you have suggestions for improving it, please contact isp@yale.edu.

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.
