

Exciting changes are happening for our USP community. We heard your feedback around billing timeliness and the USP Operating Committee agreed. The procedure updates outlined below are effective immediately.

FY23 will be here before we know it! See the sections on the FY23 Rate Calculation Schedule with important reminders, and the Fair Market Value (FMV) analysis with updated resources to assist you. We're offering helpful workshops for those looking for additional guidance on completing their Fund Balances or preparing a FMV analysis. Check out the dates below.

We want to ensure that our updates and newsletters are reaching the appropriate people. If there has been a change in USP contacts since you completed your annual USP registration, please let us know so that we can update Salesforce and include them on future communications.

If you have any questions or concerns regarding the updates below or any other topics, reach out to [Jess Caponigro](mailto:Jess.Caponigro@yale.edu) (YSM USPs) or [Danielle Feldman](mailto:Danielle.Feldman@yale.edu) (Non-YSM USPs), or send an email to [isp@yale.edu](mailto:isp@yale.edu).

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## Procedure Update: Timing of Transaction Billing

As previously announced in the [Business Update](#) on March 23, 2022, the following change to procedure should provide relief for those USPs that struggled to have all USP activity reviewed, approved, and posted within the month that the services were provided, often for reasons outside their control. The procedure published at [Procedure 1410 PR.03 University Service Providers: Accounting and Billing](#) has been updated to allow a grace period of one additional month. The updated procedure:

### E. Timing of Transaction Billing

All USPs must submit bills for their services at least monthly based on actual usage. Annual charges are not allowed, as they do not generally represent usage. As a best practice, goods and/or services should be billed in the fiscal month in which they are provided. Where a USP is unable to perform accurate billing within the applicable fiscal month, the USP is permitted a grace period allowing charges to be billed no later than the following fiscal month-end close. Note, however, all charges incurred in June must be billed in the current fiscal year.

USPs that previously elected to use the alternative billing period that runs from the 21st of the month to the 20th of the following month may continue to do so. If the USP elects this option, the June/July period is split into two bills as follows:

- June 21 through June 30: first of two split bills for June/July period – post to the June period in accordance with year-end closing procedures and timeline.
- July 1 through 20: second of two split bills for June/July period – post to the July period.

If an order or service is not complete during a billing period, the USP should bill the user for the portion of goods or services that were provided. The billing description should state that the billing is for a partial order.

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## Policy Update: Changes to USP Definitions

Also previously announced in the [Business Update](#) on March 23, 2022, the USP definitions of Specialized Service Facility (“SSF”), Recharge Center (“RC”), and Other Service Providing Unit (“OSPU”) have been updated in [Policy 1410 University Service Providers](#).

**Specialized Service Facilities Definition:** With work currently being done related to the University’s F&A rates, the USP Operating Committee had the opportunity to rethink how the University defines Specialized Service Facilities (SSF). Consistent with many of our peers, Yale will no longer use a dollar threshold and instead focus on the “highly complex or specialized facilities” defined in the regulations that qualify for being an SSF. The updated definition:

**Specialized Service Facility (“SSF”):** A type of USP that charges users for personnel and/or other administrative costs related to the provision of goods and/or services. Goods and/or services provided by an SSF may be directly charged to sponsored awards, in accordance with the terms and conditions of the award. An SSF

utilizes highly complex or specialized facilities (e.g., computing facilities, wind tunnels, reactors, animal care operations).

**Recharge Center Definition:** The change to the SSF definition necessitated a minor change to the Recharge Center definition as well. The updated definition:

**Recharge Center (“RC”):** A type of USP that charges users for personnel and/or other administrative costs related to the provision of goods and/or services. Goods and/or services provided by an RC may be directly charged to sponsored awards, in accordance with the terms and conditions of the award. RCs do not meet the criteria of an SSF.

**Other Service Providing Unit (OSPU) Definition:** USPs that charge for space require different consideration and, as such, the USP Operating Committee explicitly placed those USPs that only charge for space within the definition of OSPUs. Appropriately, OPSUs are restricted from charging sponsored awards. The updated definition:

**Other Service Providing Unit (“OSPU”):** A type of USP that charges users for personnel and/or other administrative costs related to the provision of goods, services, and/or space. OSPUs are included in the University’s F&A rate for sponsored activity and, therefore, do not directly charge sponsored awards for the goods, services, and/or space provided. OSPUs include, but are not limited to, Units providing facilities services, utilities services, and security services.

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## FY23 USP Rate Calculation Worksheet Reminders

FY23 is rapidly approaching, and rate forms will be due June 30<sup>th</sup>. The FY23 Rate Calculation Worksheet has been posted and is ready for use. It can be found here: [1410 FR.02 University Service Providers: Rate Calculation Worksheet](#).

You should expect to see the email registration from Salesforce sometime in May. There are a few reminders while updating your registration:

- Be sure to review **all** data fields for accuracy and update accordingly.
- A new field for cancellation fees is included. If you are charging cancellation fees, please be sure to check the appropriate box. Guidance on charging cancellation fees is posted on the [USP Resources](#) site.
- Additional contact fields have been added. If you choose to have alternative contacts for each USP or want to make sure communications get to these people, please add them to these new fields.

The USP’s rates go into effect starting on July 1<sup>st</sup>. Per policy, all rates must be posted and/or users notified of the current user rates prior to the rates being used.

During Quality Assurance (QA) checks this year we identified several instances where users were being charged for a service when the service was not listed on the fiscal year’s USP Rate Calculation Worksheet. USPs cannot charge for a service that is not included on the Rate Calculation Worksheet. If you realize that a service was left off the Rate Calculation Worksheet or are offering a new service, please submit a revised Rate Calculation Worksheet, including Lead Administrator sign off.

If you need assistance with completing your rate forms or have questions, please reach out to [isp@yale.edu](mailto:isp@yale.edu).

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## Fair Market Value (FMV) Analysis

Those of you who sell your services to external customers have seen requests to complete a Fair Market Value (FMV) Analysis. With increased attention on external revenue, a FMV analysis will be required by any USP anticipating requests to provide services to external customers during that fiscal year. We have prepared an [External Sales Fair Market Value \(“FMV”\) Analysis Template](#) to assist USPs in preparing this analysis and encourage you to begin working on the analysis sooner than later so that it can be submitted with your USP Rate Calculation Worksheet.

Additional resources are available on the [External Sales Resources](#) site and include:

- FAQs Regarding the Fair Market Value (FMV) Analysis for ESAP, which includes documenting your FMV analysis and how to gather comparable rates.
- Provost’s Office Guidance Regarding Pricing for External Customers, which covers expectations when setting external customer rates.

If you need assistance completing this analysis, reach out to [isp@yale.edu](mailto:isp@yale.edu).

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### **USP Workshops**

We recognize that many of you have not filled out a Fund Balance before, which is one of the required tabs within the USP Rate Calculation Worksheet, or prepared a fair market value (FMV) analysis, which should be completed by all USPs with anticipated external sales and submitted with their annual USP registration. The following workshops will be conducted via Zoom. We will walk through how to fill out a Fund Balance tab or prepare a FMV analysis. Both sessions of each topic will cover the same material. If you are interested in attending, contact [Danielle Feldman](#) to be added to the invite. We look forward to seeing many of you there!

Tuesday, April 19<sup>th</sup>, 2:00 – 3:00 pm (Fund Balance)  
Wednesday, April 27<sup>th</sup>, 9:00 – 10:00 am (Fund Balance)  
Monday, May 2<sup>nd</sup>, 11:00 am – 12:00 pm (FMV)  
Thursday, May 5<sup>th</sup>, 3:00 – 4:00 pm (FMV)

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### **Billing Requirements Reminders**

During the Spring of FY21 new billing requirements were released by the USP Operating Committee, and all USPs were notified that the USP must be compliant by May 2022. If you still need assistance, it isn't too late to reach out to us.

As a reminder, your substantiated billing documentation must contain, at a minimum, the following:

- Requestor's name
- Description of delivered goods/services
- Date each deliverable was delivered
- Number of units delivered per service
- Customer Rate per unit of service
- COA(s) charged and breakdown of split charging, if applicable
- Discounts from Customer Prices, if applicable

The most frequently asked question is "Does all this information have to be in Workday?" The answer is No. If the supporting documentation contains all required data, the requirements have been met. However, the supporting documentation must be readily available to the customer and persons conducting QA checks either through an accessible domain or upon request.

The information that goes into Workday does not have to contain this level of detail. We understand that USPs use a variety of record keeping systems and there is not a "one size fits all" approach to the information included on the invoice, where required information is stored, and/or how a customer can access the details of their invoice, i.e., an accessible domain or upon request.

As part of the QA checks this year, we will be reviewing the USP's supporting documentation to confirm compliance with the new requirements, use of the appropriate ledger, spend, and revenue categories, and gaining an understanding of how your billing rolls up into Workday.

Thank you to those who are currently working with us or have completed their QA checks for FY22!