

## **New Service Department Checklist**

In order to calculate your initial service department rates, you will need the following information:

1. List of potential customers (i.e., TAMUS vs non-TAMUS).
2. List of different lines of service that the department will offer; if there are differences in the services that will be performed, or in the prices that will be charged, they should be considered different lines of service.
3. Estimated cost of supplies and materials to be used and other direct expenses (broken down by line of service).
4. Estimated internal support (overhead) costs that cannot be directly assigned to a line of service but benefit the department (i.e., telephone expense, office supplies).
5. List of employees who will work in the service department. This list should include their wages, benefits, the account(s) from which they are paid, and the percentage of time they dedicate to the service department.
6. Breakdown of the estimated amount of time an employee spends within the department per line of service (*Example: John Smith spends 20% of his time working for X service department. Out of that 20%, he spends 70% on service line A and 30% on service line B*).
7. Estimated list of subsidies received, as well as the account they are paid from. This list could include federal dollars, state dollars, or different TAMU departments.
8. List of equipment to be used by the service department, unless it was purchased with federal funds. This list should include the cost of the equipment, purchase date, useful life, whether it will have any value after its useful life (salvage value) as well as the percent of time the service department will use the equipment (out of the total amount of time it will be used).
9. Estimated revenue by line of service.
10. Estimated number of billing units, broken down by line of service. This number will depend on whether rates are charged hourly, per sample, or some other way.