

FY 2025 - Instructions for Rate Study Template - Multiservice

The template is designed to help the service center determine the breakeven and the full cost rate for each offered line of service. The template is designed to document the identified, validity, and allowance of the expenses used in determining the approved rates. The format provides the necessary documentation of the rate components, calculation methodology, along with a historical comparison in total of the service facilities operations in a standardized and consistent presentation.

Data needed to Complete Rate Study:

The service center contact will need to have the following data readily available to successfully complete the input into the rate study template.

FY23 financial information for the service center:

- Service center FY23 revenues, expenditures, fund balance, and unallowable costs (if any).

FY24 projected financial information for the service center:

- Service center FY24 projected revenues, expenditures, unallowable costs (if any), and projected transfers from fund balance (if any) such as depreciation or external profit. In addition, the rate(s) that are currently being charged by the service center will be needed as well.

FY25 budget information for the service center:

- FY25 projected direct operating expense by FAMIS object code and funding account (include any subsidies). In addition, the extent (%) to which the expense supports the respective service lines.
- FY25 overhead costs and FAMIS object code and funding account.
- The FY25 budget information includes personnel details related to salaries, wages, benefits, longevity as well as the percent effort that individuals directly work on the respective lines of service(s).
- Capital equipment items (from FAMIS FFX) and knowledge on what lines of service the specific equipment items are used in, and to what extent (%).
- Actual units by line of service for the most recently completed FY (FY23) as well as projected units by line of service for FY25.
- Review the self-certification document to address any compliance issues. Signatures required from Center Head and Service Center Manager.

The financial, personnel costs, and capital equipment data can be accessed from FAMIS, Canopy, or Business Objects. If the service center contact does not have access to these systems, please contact costanalysis@tamu.edu for assistance.

Rate Study Instructions:

1. Historical & Rate Info

- a. **Service Center Information** block captures information for the Service Center Contact. This also populates the headers on the other tabs. Enter FY, period covered by rate study, and the first day of the FY (required for depreciation calculations). Enter the Service Center Name, account number, Service Center Manager. Enter the Rate Study contact name, phone number, address and email address.
- b. **Prior Year Totals and Fund Balance** block captures historical and projected financial information which is used in the summary tab and the fund balance calculation tab.
 - **FY23 Actual & FY24 Projected Revenue** - Enter FY23 actual revenue as recorded in FAMIS in the service center account. Enter projected FY24 total revenues based on current activities and estimates.
 - **FY25 Subsidy Account Numbers (*list across*)**. If subsidies will be provided to this service center account during FY25, list the 6-digit FAMIS account numbers in cells I7 through N7 that will provide a subsidy.
 - **Unallowed Cost - Enter total unallowed cost incurred in the service center account for FY23 actual and FY24 projected that were included in the direct or overhead expense listings. No unallowed cost should be a part of the operating budget of FY25.** Unallowable costs are deducted from the total expenses recorded for the service facility to present total allowable cost for historical comparison.
 - **FY23 Service Center Ending Fund Balance.** Enter the fund balance from Canopy or FAMIS for 13th month 2023 for the service center (account control 3200). The System policy requires that the fund balance not operate in a deficit nor carry more than 60 days working capital. If outside the limits, the service centers must submit a remedial plan as part of the rate study.
 - **FY24 Projected Transfers from Fund Balance (Depreciation/External Profit)** If the service center plans to transfer depreciation, external profit or debt payments enter the amount in cell I11. Enter as a POSITIVE number.
 - **IDC Rate (*Designated Specialized Service Facility Only*)** - ONLY ENTER INFORMATION IF A UNIVERSITY DESIGNATED SPECIALIZED SERVICE FACILITY, otherwise leave blank. This is not the service center's overhead cost, but a F&A rate only allowed for approved specialized service facilities.
 - **Compliance Status, Calculated FY25 Ending Fund Reserve, Amount Deficit or Over 60-day reserve** – These are calculated and protected fields. If compliance status is green, service center is projected to be in compliance with TAMUS fund balance requirements; however, if compliance status is red, further action is required by the service center. The Calculated FY25 Ending Fund Reserve is the projected ending fund balance. The Amount Deficit or over the 60-day reserve will project the extent to which the service center is projected to be out of compliance (in dollars).

c. Service Line & Units

Unit Basis by Service for Rate Study: Indicate the unit basis (per sample; per hour; per month, etc.) for the rate in row 19 for each service line provided by the service center.

Service Line Description: Enter the service name for which the rate is calculated. This should be as it would appear on the service center invoice or price listing.

The rest of the info in this section (block C) will need to be completed after the other rate study worksheets are completed and the operational budget has been entered on the appropriate tabs/worksheets (i.e., after steps 2 through 5 are completed). Instructions for completing the rest of this block C are in item #6 after the equipment section.

2. Direct Operating

Direct operating expense is defined as any cost that can be specifically identified and assigned to an individual service line provided by the service center. These costs can include materials and supplies, purchased services, travel expenses, and equipment rental.

Direct Operating Expenses (not inventory) - List the direct operating expenses utilized in the service center. Expenses may either be entered by object code or group (supplies, M&R, contract services, etc.). If entered in group, include the appropriate FAMIS object codes and FAMIS account numbers in appropriate row.

- **FAMIS Account number** – Provide the FAMIS account number for each expense type.
- **FAMIS object code** – Provide the FAMIS object code for each expense type.
- **FY23 FAMIS Actuals** – List the FY23 actual expenses in this column by applicable FAMIS object code for the service center account. This should agree to the expense reported in FAMIS for the service center account.
- **FY24 FAMIS Projected** – List the FY23 projected expenses by applicable FAMIS object code for the service center account. This assists in providing comparison to FY23 and support for FY25 amounts.
- **FY25 Full Cost Projected** – List the FY25 projected expenses by applicable FAMIS object code and FAMIS account number. If expense is provided by another funding source, list the subsidy FAMIS account number. Ensure that this subsidy account number is listed on the Historical and Rate info section as well, if applicable.
- **In columns I through column ER, allocate the FY25 cost amount among the appropriate service lines.** 100% of the cost must be allocated. Column H should read “ALLOCATED” once the FY25 amount has been fully allocated across the appropriate service lines.

Cost of Goods Sold/Inventory (only use if you have a retail operation). The service center is limited to no more than a 90-day inventory operating balance to avoid the accumulation of obsolete, unusable inventory. An allowance of normal breakage or damage should be incorporated into the projection for total costs of goods purchased for resale.

- **FAMIS Account number** – Provide the FAMIS account number
- **FAMIS object code** – Provide the FAMIS object code (i.e., 6901)
- **FY23 FAMIS Actuals** – Provide the FY23 actual amount.
- **FY24 FAMIS Projected** – Provide the FY24 projected amount
- **FY25 Full Cost Projected** – Provide the FY25 projected amount to incorporate any changes between the beginning and ending inventory.

- **In columns I through column ER, allocate the FY25 cost amount among the appropriate service lines.** 100% of the cost must be allocated. Column H should read “ALLOCATED” once the FY24 amount has been fully allocated across the appropriate service lines.

3. Overhead

Overhead expense is service center costs that cannot be identified with a particular service line(s) but benefits all services provided by the service center. This may include administrative salaries, support, and other costs such as supplies and materials.

- **Salary/Wage Overhead Costs (Personnel) – Do not enter anything directly into cell G10.** This data is entered in the Personnel tab, starting on row 50. The overhead personnel costs entered on the personnel tab will feed and populate this cell.
- **Non-Salary/Wage Overhead costs** - List the non-salary/wage overhead expenses utilized in the service center to provide the various service lines in the rate study. Expenses may either be entered by object code or group (supplies, M&R, contract services, etc). If entered in group, include the appropriate FAMIS object codes and FAMIS account numbers in appropriate row.
- **FAMIS Account number** – Provide the FAMIS account number for each expense type. If expense is provided by another funding source, list the subsidy FAMIS account number. Ensure that this subsidy account number is listed on the Historical and Rate info section as well, if applicable.
- **FAMIS object code** – Provide the FAMIS object code for each expense type.
- **FY23 FAMIS Actuals** – List the FY23 actual expenses in this column by applicable FAMIS object code and service center account number
- **FY24 FAMIS Projected** – List the FY24 projected expense by applicable FAMIS object code and service center account number. This assists in providing comparison to FY23 and support for FY25 amounts.
- **FY25 Full Cost Projected** – List the FY25 projected expenses by applicable FAMIS object code and FAMIS account number. If the expense is provided by another funding source, ensure that the subsidy FAMIS account number is listed in column C. The subsidy account number should also be listed on the Historical and Rate info section as well, if applicable.

4. Personnel

The personnel worksheet documents the payroll costs of the service center and allocates the payroll cost by service line. FAMIS, Canopy or Business Objects may be utilized to obtain the personnel costs which will include salary, benefits, longevity and the funding source. If service center contact does not have access to the payroll information needed to complete this worksheet, please contact costanalysis@tamu.edu for assistance in obtaining this data.

Prior Period Personnel Expenditures

FY23 Actual for Account – Provide the actual personnel costs (salary, wages, longevity and benefits) for FY23 from FAMIS 13th month 2023 paid from the service center account only.

FY24 Projected for Account – Provide the projected personnel costs (salary, wages, longevity and benefits) which are projected to be paid from the service center account.

Direct Costs – This section of the personnel worksheet provides the payroll costs related to employees directly providing the services which are being provided by the service center.

- **Name** – List the employee names. Student workers may be listed in group.
- **UIN** – Provide the employee UIN
- **Job Title** – Provide the employee job title
- **Annual Salary** – Provide the employee’s annual salary. Include proposed merit for upcoming (FY25), if applicable.
- **Annual benefits** – Provide the employee’s annual benefit cost. A percentage of salary may be used in estimating the benefit cost.
- **Longevity** – Provide the employee’s annual longevity. Note that longevity costs increase every 24 months based on individual employee’s length of service.
- **FAMIS Account** – Provide the FAMIS account number. If funding is provided by another funding source, list the subsidy account number and ensure that the account number is listed on subsidy section on Historical & Rate info worksheet.
- **FTE % to Service Center** – List the % effort that employee contributes to the service center. Percent effort cannot exceed 100%.
- **Total Personnel Full Costs** – This is a calculated number based on annual salary, benefits, longevity, and percent effort.
- **In columns K through column ET, allocate the FY25 cost amount among the appropriate service lines.** 100% of the cost must be allocated. If column H is red, 100% of the allocations have not occurred. Column H should read “ALLOCATED” once the FY25 amount has been fully allocated across the appropriate service lines.

Overhead Personnel Costs (*Employees not directly providing the service – i.e., supervisory time*). The costs entered in this section will roll up to the Overhead tab and be reflected on cell G10. Overhead costs are allocated to the service lines based on direct costs.

- **Name** – List the employee names. Student workers may be listed in group.
- **UIN** – Provide the employee UIN
- **Job Title** – Provide the employee job title
- **Annual Salary** – Provide the employee’s annual salary. Include proposed merit for upcoming (FY25), if applicable.
- **Annual benefits** – Provide the employee’s annual benefit cost. A percentage of salary may be used in estimating the benefit cost.
- **Longevity** – Provide the employee’s annual longevity. Note that longevity costs increase every 24 months based on individual employee’s longevity.
- **FAMIS Account** – Provide the FAMIS account number. If funding is provided by another funding source, list the subsidy account number and ensure that the account number is listed on subsidy section on Historical & Rate info worksheet.
- **FTE % to Service Center** – List the % effort that employee contributes to the service center. Percent effort cannot exceed 100%.
- **Total Personnel Full Costs** – This is a calculated number based on annual salary, benefits, longevity, and percent effort.

5. Equipment

Capital equipment may not be purchased from the service center operations account. A service Center may recover the acquisition cost of capital assets used by a service center by including annual depreciation as a component to be recovered through the billing rate. By recovering capital asset acquisition costs in this manner, a portion of the asset cost is assigned to the service for the periods in which the asset is providing a benefit. The usage amount should then be transferred to the renewal & replacement account (TAMU: 87XXXX; TAMUHSC: 88XXXX; TAMUG: 89XXXX) to establish a reserve for future equipment replacement, upgrades, or unplanned maintenance needs.

The cost of the equipment is spread over the useful life instead of at one time when the equipment is purchased. Capital equipment (over \$5,000) that has not been purchased with federal funds should be depreciated and included in the rate calculation if the center is expected to replace it. Equipment less than the capital threshold is included as an operating expense in the period purchased.

Note: Only list the pieces of equipment that the service center would be responsible for replacing. If the facility will not be expected to replace or purchase any future equipment, it should not include depreciation as part of the service facility's operating expenses.

Through Canopy, an asset report may be run in the FFX module. Run an Asset Search by Center code. Click on the "report download" icon on the right side of the screen. Open the file and sort by capital flag (you only want to look at the Y's). Do not include any equipment purchased with federal funds. Enter the following information from the Canopy download:

- **Asset #** - enter the 10 alpha-numeric asset number. This number is used to uniquely identify an asset within FAMIS.
- **Equipment Description** – enter the equipment description
- **Acquisition date** – enter the date the asset was put in service.
- **Purchase price** - enter the cost of the asset. Optional warranties are not included.
- **Percentage of time used by the service center** will not be available in Canopy and will need to be determined and entered by the service center.
- **Useful life** – enter the useful life of the asset (in months)

In columns I through column ER, allocate the FY25 depreciation amount among the appropriate service lines—the service lines that use this equipment. 100% of the cost must be allocated. Column H should read "ALLOCATED" once the FY25 amount has been fully allocated across the appropriate service lines.

6. RETURN to Historical & Rate Info worksheet (Block C)

Return to Historical & Rate info worksheet and input the rest of the data in block C as per instructions below:

FY25 Projected Units by Service Line (Row 22). Enter the projected FY25 total annual units per service line based on the unit description entered in line 20 of the worksheet. This must be a distinct unit that is used for all customers who are charged at this rate. If for a listed service some users are charged by the hour and others a flat monthly fee, two different billing rates must be requested and supported. The number of units is used to calculate the billing rates for the service. The calculation is total costs divided by total units. **Note: Overtime, off-hour; rush rates to a service line are allowed**

and do not require a separate calculation but must be consistently applied and explained. For example, overtime rate is 1.5 times regular rate for service, or rush order \$25 surcharge)

FY25 Projected External Units – Enter the projected FY25 units which will be provided to external customers (customers that are not within the FED/TAMUS category). This would be anyone outside of the TAMUS system as well as commercial customers. Note: Do not include Federal funding sources in this category.

FY23 Actual Units by Service Line -- Enter the actual service units billed for each of the established service lines from the last completed fiscal period (FY23).

FY25 Service Center Proposed Rates by Service Line –The rate study calculates a rate for each identified service line based on projected expenses and usage—these calculated rates will be reflected in rows 37 and 38 for each service line. If the service center wishes to use the calculated rate for the period covered by the rate study, the calculated rates (rounded for convenience) may be entered in this section (rows 27 through 29) by service line. If an alternative rate(s) is desired, enter the desired rate in the appropriate column. The rates entered in this section are the rates the service center proposes to charge users for the FY25 period and is what is used to calculate the projected FY25 service center revenues.

FY24 Service Center Current Rates by Service Line – Enter the current FY24 service center rates by service line and customer type. If new, leave either blank or type “NEW”. This is an informational section which will allow the service center contact to compare the FY24 against the FY25 calculated on the entry into the rate study template is completed.

Rate Study Calculated Rates by Service Line – This reflects the calculated rates once entry into the rate study template is completed—no entry is allowed on rows 37 and 38—this is calculated based on rate study template entry. The rates are rounded to the nearest whole dollar. The service center contact can review the calculated and the current year (FY23/24) rates in assessing and proposing the rates. The FY25 proposed rates are then entered in rows 27 through 29 by service line.

Fund Deficit/(Surplus) Allocation (if applicable) - System & Federal regulations require that the service facility operations be tracked by service line to document and ensure one line does not cover the (subsidize) cost of another. The service manager is required to review the rates annually and apply any deficit or surplus as a refund or an adjustment to the rate in the next review period. If this has occurred, enter the surplus/ deficit over limits per service in line 41, documenting and incorporating the adjustment into the rate.

7. *Customers*

Please provide a current (last 12 months or last completed fiscal period) listing of customers utilizing the service facility. This is a federal requirement and provides documentation of the validity of the service facility. It is also used in the assessment of the level of risk monitoring. If service center has a pre-existing customer list, it may be submitted instead of populating the rate study provided customer worksheet.

8. *Self-Certification*

The questions on this page address the different requirements of federal awards and TAMUS policy with regards to university service centers to document that the federal requirements are followed. Complete the self-certification completely and accurately noting and making the necessary adjustments where the service facility may have deviated from the requirements in the facility processes and procedures. Questions 14-16 may require additional submitted information and documentation to be included with the rate study.

- Questions 14 & 15 require a surplus or deficit reduction plan to be submitted if the service center has an unresolved prior period or projected period surplus/deficit fund reserve outside of the allowable limit.
- Question 16 - Service center must submit a narrative with the rate study detailing the systems and internal controls in place to track activities, usage and fund reserves at the individual service account level.

9. Finalization

Once the rate study has been reviewed by the Office of Cost Analysis, the rate study coordinator will be notified that it is ready for finalization and available on SharePoint.

The rate study may then be printed by the service center and the completed self-certification should be routed for signature approval and uploaded to SharePoint. The completed self-certification must have the service center manager and department head signature approval.

The summary captures all the data inputted for the rate study and serves as documentation of the review and approval of the rate study and proposed rates. If the service centers total expenditures (including depreciation and subsidy) are greater than \$750K, the Dean of the College/VP of the Division responsible for the service center must also review and approve the rates along with the service center manager.

Once all documentation has been received, Office of Cost Analysis will submit a complete rate study with all support documents for Division of Finance and Business Services approval. Once approved, notification will be sent and the FY25 rate study is completed.