



Stony Brook
University

Quickguide Recharge/Service Centers

Office of Grants Management

<http://www.stonybrook.edu/ogm/cas.shtml>

Office of Accounting Services

<http://www.stonybrook.edu/accounting/ifr/>

Definition

A Recharge/Service Center is

An operating unit within the University that provides:

- a service or group of services (or)
- a product or group of products to users within the university for a fee

Overview

- Recharge operations can result in charges to sponsored awards.
- As a recipient of federal grants and contracts, Stony Brook University must comply with cost principles and cost accounting standards promulgated by the federal government.

A. *OMB [Circular A-21](#)*:

- The Cost Principles for Universities are set forth in Office of Management and Budget Circular A-21. Section J.47 of OMB Circular
- A-21 deals specifically with service centers and is explicit in two concepts.
- Recipients of federal funds are not to recover more than cost, and
- Recipients are not to discriminate in the price of services charged to governmental and non-governmental users.

Overview

B. Cost Accounting Standards:

- Cost accounting standards are designed to achieve uniformity and consistency in the cost accounting practices governing measurement, assignment and allocation of costs to sponsored programs.

C. Oversight:

- The federal government monitors the Stony Brook University compliance with these regulations through oversight and audits by the [Department of Health and Human Services \(DHHS\)](#) and the Office of the Inspector General (OIG).

Service Center billing rates and charges to all internal users must be the same and must not exceed the actual cost of providing the service.

Key Compliance Factors

- Recharge rates must only charge to recover the actual cost of goods or to provide services.
- Rates must break-even over time; surpluses or deficits must be included in the next rate calculation.
- Rates can only include those costs incurred in providing the service.
- The billing rate computation must be documented and approved by University Controller no less often than bi-annually. The basis for the rate component must be documented

Adjustments to rates are permitted more often if the unit of service or goods to be sold, is modified.

Key Compliance Factors

- Rates cannot discriminate among users. *Federal and Non-federal funding must be charged the same rate.*
- Users must only be charged for completed services or goods received. ***Service units cannot require pre-payment of service or delivery of goods. Payment must not take place until service is complete.***
- Records must be maintained to document completed services and goods delivered. *Usage logs, time to complete task, items delivered.*
- Records must be maintained to document actual operating costs to provide service or to deliver goods.

Campus Facility Director Responsibilities

- Develop rates that seek to recover only actual costs for center service operations.
- Rates must be approved by University Controller bi-annually, and reviewed for account status annually.
- Invoices must clearly reflect costs for services and/or goods provided.
- Invoices must reflect unit of costs and dates of service.
- Verify payments are received to fully recover for services and/or goods provided.

Questions

Questions regarding rate development and recharge/service center operations should be directed to the Campus Accounting Office
(631)632-6040.

Refer to the following campus guidelines for information and guidance:

www.stonybrook.edu/accounting

www.stonybrook.edu/research/ogm/cas