



# Boston College

## Scientific Recharge Center Policy and Procedure Manual

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## I. PREFACE

Throughout the campus, organizational units use a variety of services to perform research. When these services are provided by organizational units within the University (sometimes known as Recharge Centers), the units providing these services function like outside businesses. The University has determined that these organizational units should therefore be able to charge for their services to recover the cost—or a portion thereof—incurred in providing such services. As a result, the University has developed a mechanism for charging internal and external users for their usage of certain support services, based on the allowable costs associated with providing these services; this mechanism is called a "recharge."

To assist Scientific Recharge Center (SRC) managers/directors and administrators as well as the greater university community with this process, the University has developed this Manual as a general guide, entitled the "Scientific Recharge Center Policy and Procedure Manual." This Manual provides as much information as practical related to the basics of SRCs. However, there will be areas where more information or clarity on specific issues is needed. Thus, please do not hesitate to contact the Office of the Vice Provost for Research for additional information.

## II. INTRODUCTION

Boston College's research is funded from various sources, including federal (and other government) grants and contracts. Scientific Recharge Center (SRC) activities often result in charges, either directly or indirectly, to federally sponsored grants and contracts. This policy guidance and procedures Manual complies with University and regulatory requirements, federal regulation 2 CFR Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Cost Accounting Standards (CAS), which require consistent treatment across the campus of costs incurred for the same purpose in like circumstances as either direct costs or Facilities and Administration (F&A) costs, and consistent treatment when estimating, accumulating, and reporting costs.

Adherence to federal regulations and specific policies as described in the University's Disclosure Statement are implicit in this policy.

Therefore, SRC policies and procedures have been established to provide consistent operational practices among the various SRC units, and to ensure compliance with both federal regulations and internal university accounting policies. This Manual is intended to be an SRC resource, where the majority of policies and procedures specifically related to SRCs are accumulated in one place.

The purpose of this Manual is on:

- defining and establishing SRC operation;
- developing, requesting, and implementing SRC rates; and
- SRC invoicing mechanisms and reporting requirements.

Appendix 1 provides a list of frequently asked questions (FAQs) related to SRCs and may serve as a helpful resource. This Manual represents a more extensive presentation of SRC related policies and procedures.

### III. DEFINITIONS OF CORE FACILITIES AND SCIENTIFIC RECHARGE CENTERS

#### WHAT ARE CORE FACILITIES?

Core facilities support scientific researchers seeking specialized expertise, service, and access to advanced instrumentation. In general core facilities consist of dedicated space, specialized scientific equipment, and expert staff. The guiding principle behind core facilities is that through the efforts of dedicated professional scientists, managers, and administrators, shared research platforms ensure more efficient resource utilization, as well as specialist instruction, support, and management. Thus core facilities can take many forms ranging from individual pieces of shared research equipment to large multi-component research centers. The number, variety, and size of core facilities are all growing as scientific research technologies continue to become more complex, and researchers increasingly require access to different types of instrumentation and expertise. All types of research institutions and universities, as well as pharmaceutical and biotech companies, are embracing the core facility concept as an efficient and cost effective way to leverage research expertise and specialized instrumentation, and ensure appropriate technical and operational oversight. The BC core facility program includes a wide variety of technical staff, facility managers and directors, and research administrators. Core facility staff are generally scientists who enjoy the technical and methodological aspects of research and can provide guidance to their colleagues starting from the design of experiments through data acquisition, final analysis and preparation for publication. Core facility managers and directors integrate operational duties, such as budgetary and staffing oversight, along with high level technical expertise. Finally BC has also been developing a core facility administration group in the Office of Vice Provost for Research under the Executive Director, Research Infrastructure, to assist with strategic and operational guidance.

#### WHAT IS A SCIENTIFIC RECHARGE CENTER (SRC)?

SRCs are university resources that maintain the ability to receive payment for services rendered, in particular via Federal Grants for example from the NIH or NSF. The operation of SRCs, and the guidance for rate setting in this context, are governed by specific regulations, in particular the following NIH notices (NOT-OD-10-138 and NOT-OD-13-053) and OMB CIRCULAR A-21. Key amongst the regulations for recharge rate setting is the overall consideration of cost recovery, as recharge centers are not permitted to be profit generating enterprises. However, most SRCs do not operate at full cost recovery, and thus subsidies are generally considered a standard aspect of budgetary models. Although not all core facilities operate as SRCs, core facilities that operate as SRCs generally can also receive funds from other sources besides federal grants, as well as external institutions, and even non-academic entities, such as companies.

#### CORE FACILITIES AND SRCs AT BC

Scientific Recharge Centers (SRCs) at BC currently include:

- Animal Care Facility (ACF)
- Clean Room and Nanofabrication Facility (CRNF)

- Scanning Electron Microscope and Transmission Electron Microscope Facility (SEM/TEM)

Additional Core Research Facilities at BC include:

- Center for Isotope Geochemistry
- Flow Cytometry
- Imaging Facility
- Mass Spectrometry Center
- Nuclear Magnetic Resonance Center
- Scientific Instrumentation and Machining Services
- X-ray Crystallography Center
- Materials Characterization

Ongoing growth in the BC research landscape, catalyzed in large part by the Schiller Institute for Integrated Science and Society, and Engineering Department, will include significant development in research facilities.

#### IV. FUNCTIONAL RESPONSIBILITIES

The Office of the Vice Provost for Research, in consultation with various units (e.g., the Controller's Office, the Office of General Counsel, the Provost Office, the Office for Sponsored Programs [OSP], Center for Centers [CFC], the SRCs, and faculty) is responsible for the establishment and oversight of SRC policies and procedures.

##### A. Office of the Vice Provost for Research

The Office of the Vice Provost for Research provides advice to the University administration on research, aids in the interpretation of sponsored project policies, and is focused on issues revolving around the role research plays at the University.

The Office of the Vice Provost for Research approves all new SRCs, (new and updated) rates, and budgets. The Office is the liaison between the Provost Office, the Controller's Office, and the Budget Office for the SRCs.

The Office oversees the implementation of and compliance with sponsored project policies as required by Federal law and regulation and offers assistance in interpreting applicable Federal regulations and other sponsors' terms and conditions. Additionally, the Office of the Vice Provost for Research has primary management responsibility for monitoring compliance with University and government Recharge Center policies. Specifically, the Office:

- Assists in the formation of new SRCs;
- Assists SRC managers with policy and procedural matters;
- Updates the SRC Manual as needed;
- Ensures SRC compliance with nondiscriminatory rate setting and other SRC policies;
- Reviews and provides input to SRCs' budgets and rates annually;
- Approves final SRC budgets and rates;
- Along with the OSP and the Office for Research Protections, monitors SRC performance during the fiscal year to ensure adherence to Uniform Guidance, Generally Accepted Accounting Principles (GAAP), and University policies.

Responsible for SRC operations is the Executive Director, Research Infrastructure and the SRC Manager/Director, who monitor operations and takes corrective actions as needed. The Executive Director, Research Infrastructure, the SRC Manager/Director, and the Center for Centers (CFC) reviews the SRC's revenue, expenses, and rates throughout the fiscal year to ensure current rates are reflective of the facility's overall cost, making adjustments when necessary.

The Executive Director, Research Infrastructure, SRC Manager/Director, and the CFC must:

- Review each SRC's budget on a monthly to quarterly basis, forecasting any shortfalls.
- Review expenses to ensure proper allocation to the SRC account.
- Ensure that monthly SRC billings are accurate, timely, and adequately documented (the billing rates should be consistently administered to all users of the service).

- Ensure the approved rates are used for all SRC billings.
- Maintain SRC records in good order for review and audit.
- Review all SRC equipment to ensure it is appropriately identified in the University's fixed-asset system.
- Conduct periodic review of effort of personnel with other tasks performed outside of the SRC. Ensure that SRC personnel salaries are charged based on actual time spent in SRC work.
- Ensure that unallowable costs are not included in SRC rates.
- Review external billings match to accounts receivables.
- Update SRC's operational procedures as needed to keep current.
- Maintain an approved file of external users' contracts.
- Prepare and submit the annual budget and rate submissions on a timely basis.
- Monitors the SRC to ensure it operates in accordance with its budget.
- Verify iLab usage reports.

### **B. The Center for Centers**

The Center for Centers (CFC) works with the Provost Office, Office of the Vice Provost for Research, Office for Sponsored Programs, central administration, and facility managers to ensure the efficient operation of SRCs. Responsibilities include:

- Monthly billing
- Reconciliation of receivables
- Revenue deposits
- Ensuring compliance (University and Federal)
- Record retention
- Tracking and reporting on user statistics
- Coordination of procurement activity
- Budget development and monitoring
- Cost accounting
- Cost-based rate development
- Assisting with managing user program
- Assisting with outreach efforts
- Serving as a liaison between SRCs and central administration for resolution of issues
- Reviewing business plans and assisting with the establishment of new SRCs

### **C. University Budget Office**

The Budget Office is responsible for developing annual operating and capital budgets, creating long-range financial planning models, enforcing policy decisions regarding the use of funds and providing reports and data to assist management in making sound fiscal decisions. Further, the Budget Office reviews and approves SRCs' budgets and rates annually in coordination with the Office of the Vice Provost for Research.

### **D. Controller's Office**

The Controller's Office is responsible for the general accounting services to the University. Specifically, the Office:



- Processes SRC accounting transactions in compliance with University requirements;
- Provides assistance to the University accounting system with external user transactions (e.g., unrelated business income tax issues [UBIT]);
- Monitors internal revenue and expense balances and provides revenue/expense policies for the campus;
- Opens and closes SRC accounts.

**E. Office for Sponsored Programs**

The Office for Sponsored Programs (OSP) is responsible for approving charges to all sponsored projects at BC, and reviewing that there are available project budgets for the SRC charges.

**F. Internal Audit**

The Internal Audit Department assists with achieving the University's financial and operating goals. Internal Audit appraises the adequacy and effectiveness of the system of internal control, verifies the existence of University assets, and ensures that proper safeguards are maintained to protect them from loss. Further, Internal Audit makes recommendations to management to improve the effectiveness of internal controls based on system testing and control analysis.

**G. Core Facility Advisory Committee (CFAC)**

The Core Facility Advisory Committee (CFAC) is chaired by the Executive Director, Research Infrastructure, and reports to the Vice Provost for Research regarding strategic and operational issues impacting core facilities, SRCs, and other shared research resources at Boston College. The makeup of CFAC includes at least one faculty representative from each science department, as well as two core facility/SRC managers/directors. Administrators from various groups in the Provost Office will also regularly attend CFAC meetings. CFAC will meet at least twice a year and the Executive Director, Research Infrastructure will ensure all members received copies of material presented and discussed.

## V. SCIENTIFIC RECHARGE CENTER USERS

An SRC user is the individual or entity purchasing services from the organizational unity. Users fall into two broad categories, with some differences in policy and in accounting treatments.

### A. Internal Users

Internal users are the primary SRC customers. Services provided to internal users are represented by charges to chartstrings over which Boston College has fiduciary responsibility. Internal users from academic, administrative, and auxiliary areas purchase the SRC services to support their work at Boston College. Purchases should be charged to a University chartstring.

### B. External Users

An external user is an entity or person over whom Boston College has no fiduciary responsibility, regardless of the user's relation to the University's academic mission. For example, a person or company may be external to the University's mission, but wish to purchase the SRC's service because of its unique equipment and/or its staff's expertise. Likewise, an external entity which is affiliated with the University's mission may wish to purchase SRC services. Examples of external entities include but are not limited to:

- Commercial entities, such as a drug company or other for-profit companies;
- Or a nonaffiliated not-for-profit organizations such as hospitals, other universities or government agencies;
- Or a Boston College student, faculty or staff acting in a personal capacity (versus in their student or employee role within the University).

All external users of Boston College SRCs must obtain a complete Facilities Use Agreement for External Users (Appendix 2), as described below. Services provided to external users require an invoice and related posting to the SRC's receivable code in the financial accounting system. Proper accounting for as well as approval and monitoring of the use of an SRC by external users is required. While internal users will be the primary users of SRCs, situations may arise, however, where the unique nature of an SRC's services and other factors justify allowing external users limited access to those services. Additional accounting and monitoring is required for external SRC users, and their distinction is very important to the University for Unrelated Business Income Tax (UBIT), sales tax, F&A (indirect) cost rate, and Organized Research policy purposes.

Revenue generated from external users of SRCs may be taxable if the work provided is not substantially related to the mission of Boston College. If that event it may be subject to unrelated business income tax (UBIT). At the end of each Fiscal Year, the Center for Centers will provide the Controller's Office with a report of the external usage and revenue of each SRC for UBIT analysis.

Services to faculty, staff, and students receiving services outside the context of their work for Boston College are usually protected from tax by the so-called "convenience exception" in the Internal Revenue Code. The exemption was created to allow organizations like Boston College

to provide services locally to individuals in this category, rather than have them drive long distances to obtain the same service on the outside. However, this is not a blanket protection, particularly in cases where there is a ready market for this service in the surrounding community. The exemption therefore does not apply to services performed off campus. On campus services, if truly provided for the convenience of faculty, staff and students, and to clearly further Boston College's mission and not merely to generate additional funds, will be allowed for this category.

Services provided to affiliated organizations in the context of establishing and maintaining their physical presence on campus will be permitted (e.g. utilities, communications, maintenance, etc.). In the case of other services, there should be a showing that the provision of the services enhances the mission of Boston College or that obtaining similar services from an outside provider would create a logistical hardship for the entity.

External utilization of BC SRCs will generally represent a significant minority of the total, in particular, BC internal users should always remain the priority when making strategic and operational decisions regarding SRC management. Such use is governed by protocols such as Facilities Use Agreement for External Users (Appendix 2), where such external use provides a meaningful enhancement of the Boston College's mission (other than financial gain), is not in conflict with Boston College's regular use and where the facility is unique within a 50 mile radius of Boston College and the using entity.

### **Approval of External Users**

The approval process for external usage of BC SRCs will be as following:

1. The SRC Manager/Director will work together with the external users to fill out the Facilities Use Agreement for External Users (Appendix 2)
2. A draft will be provided to the Executive Director, Research Infrastructure, who may send it back to the SRC Manager/Director for revision and/or request input from the Office of General Council, the Controller's Office, OSP, or other colleagues in the Office of the VPR
3. The completed agreement form will be submitted to the VPR for signature
4. The final signed agreement will be distributed to the SRC Manager/Director who will keep it on file and share it with the external user

## VI. ESTABLISHING A NEW SCIENTIFIC RECHARGE CENTER

A proposal to establish a new SRC should be directed to the Office of the Vice Provost for Research (see Appendix 3 & 4). This will generally be led by a faculty member, or group of faculty with a designated point person, and will normally take place after a discussion on the logic and feasibility of the proposed SRC with the Office of the Vice Provost for Research, in particular with the Executive Director, Research Infrastructure. Such discussions help the Office of the Vice Provost for Research to understand the mission and vision of the new SRC.

Recharge operations are established for operations that intend to function on an ongoing basis and to recover no more than their cost of operations over this period. Prior to establishing a new recharge operation, the following questions should be considered:

- Is this service available elsewhere on campus?
- Is the service identifiable (e.g. machine shop) as opposed to general?
- Can you clearly separate and define costs and budget for these activities?
- Is the need for this service short-term or long-term?
- Is this service provided for, or subsidized by, a federal award?
- Will this service be used by multiple customers (internal users) and sources of funds within the University?
- Is there an expected or modeled volume of use to justify establishment, and sufficiently support operations, of the proposed SRC?
- Is the volume of service expected to increase over time?
- What portion of the users will be external vs. internal?
- If we do not establish an SRC for this service where/what will our internal users do to obtain this service?

The process to establish an SRC serves to mitigate financial risk and compliance concerns, justify the business need for the service, document the resources needed to establish the recharge operation, and describe the plan for the operation of the SRC.

After the SRC proposal is reviewed by the Office of the Vice Provost for Research and the Provost Office, the Controller's Office and Budget Office will be contacted to coordinate the establishment of the new SRC account and budget in the financial accounting system.

### A. Proposal Process

All proposals for the establishment of a recharge operation must complete the New Scientific Recharge Center Request Form (see Appendix 3 & 4). The Executive Director, Research Infrastructure will meet with the individual filling out the New Scientific Recharge Center Request Form (Appendix 3) and work with them to complete the form and associated Cost Basis Spreadsheet (Appendix 4). Once completed the New Scientific Recharge Center Request Form and Cost Basis Spreadsheet will be sent to the Vice Provost for Research, and the Vice Provost for Finance & Administration, for review and comment, who may send it back for revision or determine that the process be discontinued at that point. Once a final complete

form and spreadsheet have been approved by the Vice Provost for Research, and the Vice Provost for Finance & Administration, the application will then be sent to the Controller's Office.

After review, a meeting with the Budget Office and the Controller's Office will take place to establish the appropriate budget, and discuss rate calculations, and cost recovery forecasts. After the budget is set up and rates are finalized, the Vice Provost for Research and the Executive Director, Research Infrastructure will consult with the Core Facility Advisory Committee (CFAC) to determine the appropriate method for communication and marketing of the new SRC to the Boston College research community.

### **B. Review of New Scientific Recharge Centers**

Two years after operations have begun within a newly established Scientific Recharge Center, a review will take place, led by the Executive Director, Research Infrastructure. This will involve a report prepared by the Director of the Scientific Recharge Center, and the Chair of the Faculty Advisory Committee. The report and findings of the review, along with any recommendations for strategic changes in the operation of the Scientific Recharge Center, will be discussed with the Director of the Scientific Recharge Center, and the Chair of the Faculty Advisory Committee, and then presented to the Vice Provost for Research, and the Vice Provost for Finance & Administration. Decisions regarding any changes to continued operation of the Scientific Recharge Center made by the Vice Provost for Research, and the Vice Provost for Finance & Administration will be communicated to the Director of the Scientific Recharge Center, and the Chair of the Faculty Advisory Committee.

## VII. DETERMINING SCIENTIFIC RECHARGE CENTER RATES

This section sets forth the policies governing Boston College's SRCs and recharge rates. The policies have been developed to comply with the Federal cost principles for educational institutions contained in the 2 CFR Chapter II, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Cost Accounting Standards (CAS), which requires consistent treatment across the campus of costs incurred for the same purpose in like circumstances as either direct costs or indirect costs, and consistent treatment when estimating, accumulating, and reporting costs. Further, these cost principles establish guidelines as to allowability and allocability of all costs that may be recovered on Federal grants and contracts, including costs associated with SRC activities.

### A. Cost Basis Calculation:

Each SRC Manager/Director should complete a Cost Basis Spreadsheet (Appendix 4), in consultation with the Executive Director, Research Infrastructure, upon creation of a new SRC, as part of the application process, and at least every two years, and whenever new services or significant expenses such as staff members are to be added. Once completed, the Cost Basis Spreadsheet should be shared with the Vice Provost for Research and Vice Provost for Finance & Administration, for review and comment, who may send it back for revision. Once a final complete Cost Basis Spreadsheet have been approved by the Vice Provost for Research, and the Vice Provost for Finance & Administration, it will then be sent to the Budget Office for review, in particular regarding SRC rates, anticipated revenue, and extent of cost recovery.

As described in Appendix 1, the following Standard Operating Procedures (SOPs) should be followed when filling in the Cost Basis Spreadsheet:

- The cost basis for each service will be calculated individually and will include expenses specific to providing that service such as service contracts and supplies, as well as proportional cost of general facility expenses in that SRC, excluding contribution of BC F&A indirect costs.
- In general SRCs should not be charging customers sales tax.
- Although SRCs that receive internal or external funding specifically for the purpose of purchasing capital equipment can do so, these purchases cannot be made directly from SRC budget chartstrings and cannot be included in the cost basis calculation for services.
- SRCs should continue not including depreciation in cost basis calculations.
- SRC staff should be paid from facility budget, not user grants.

### B. Rate Setting:

In general SRCs will operate on a subsidized basis and full cost recovery is not anticipated. The extent of expected cost recovery will differ depending upon facility type, user base, and even specific service within an individual SRC. All rates must be set no higher than the cost basis for that service and one service cannot be charged above cost basis to supplement a loss from another service priced below cost basis.

As described in Appendix 1, the following SOPs should be followed when setting rates:

- Rates for internal BC users will be determined for each service and will not exceed the calculated cost basis for providing that service.
- Rates for external academic users should be set as the cost basis + BC F&A indirect cost increment. External non-academic rates could be set higher than this if a fair market rate assessment has been conducted.
- Although subsidies can be used to offset rate charged to particular users, apart from bulk discounts that reflect economies of scale demonstrated in an alternative calculated cost basis, mechanism that reduce rates for certain users such as subscriptions, caps, or discounts are not permitted.

### **C. Non-Discriminatory Rates**

It is paramount that in establishing rates for services, an SRC does not discriminate against any internal group of users; rates should not differentiate among internal users. An SRC must charge all internal users the same rate for the same level of services or products purchased in the same circumstances. The use of special rates, such as for high volume work, economies of scale, or less demanding nonscientific applications is allowed, provided such rates are equally available to all users who meet the criteria.

The federal government does not object to charging external users a higher rate than that charged to internal users. However, external users shall not be charged a rate less than that charged to internal Boston College users. If external users are charged higher rates than internal users, revenues and costs associated with providing service to external users should be tracked separately to avoid the perception of overcharging. SRCs should work with and obtain written approval from the Office of the Vice Provost for Research before charging external users a higher rate.

Whether internal users or external users, all users of SRC services must be charged and billed for the services used.

### **D. Subsidies**

SRC budgets and rates should be fully costed and include all allowable costs directly associated with SRC operations. For various reasons, the University, individual Schools, Institutes, Centers, or Departments may wish to have an SRC charge its users less than fully costed rates, and may choose to subsidize center operations with operating budget or other unrestricted funds. The University, individual Schools, Institutes, Centers, or Departments may subsidize SRC operations by offering operating budget or other unrestricted funds to the SRC. In these circumstances, a center should first calculate a fully costed rate (see the SRC Rate Determination section). A percentage discount could then be applied to the fully costed rate to derive the desired subsidized rate to be used throughout the year.

SRCs could be subsidized for any one of the following purposes, or a combination thereof:

- a general subsidy to the SRC to offset total expenses;
- to reduce the rate charged to all users for certain services provided by the SRC;

- to subsidize a subset of users; and/or
- to pay for certain costs of the SRC.

Alternately, subsidies could be provided by splitting the costs of SRC services between user-associated charstrings and chartstrings provided by the University, individual Schools, Institutes, Centers, or Departments. In any event, SRC subsidies should be approved by the Vice Provost for Research, the Provost Office, and the Budget Office. Because subsidies for SRC operations are unallowable for Government Facilities and Administrative (F&A) cost recovery purposes, and must be properly segregated and excluded from F&A costs allocated to Government awards, the Controller's Office should be notified of the subsidy so that it can be excluded from the University's calculations.

Throughout the fiscal year, all SRC expenses must still be charged to the SRC account. At the end of the year, the net year-end balance should be evaluated.

#### **E. Allowable Costs**

The following are some general guidelines for the various types of costs which can be charged to an SRC to support its activities. Generally, all costs directly associated with the SRC's operation should be charged to the SRC, as outlined and approved in its expenditure budget. However, costs which are unallowable for government costing purposes may not be included in the rates charged to federally sponsored projects. Please refer to Appendix 1 and Appendix 4 for more detailed information.

##### **a. Personnel Costs**

Salaries and the appropriate benefit rate of the SRC employees, including lab technicians, machine operators, contingent labor, and other personnel directly involved with the activity of the SRC, should be budgeted and charged to the SRC. FTE data should accompany budgeted salary data in the annual budget submitted to the Office of the Vice Provost for Research, to ensure that percent FTE charged to grants is accurate.

As stated in Appendix 1, SRC staff should be paid from facility budget, not user grants.

##### **b. Supplies and Materials**

The cost of supplies and materials needed to operate the SRC should be charged to the center. These costs could include office supplies, special conferences related specifically to the SRC, professional services, and technical supplies.

##### **c. Other Operating Expenses**

Other operating expenses which may be included in SRC rates are rental and service contracts, equipment operating leases, and professional services. Valid expenses also include pass-through charges from another SRC.

##### **d. Depreciation**



SRCs must manage and account for capital equipment used in the centers in accordance with university policy and as discussed in this Manual. These procedures have been developed to ensure compliance with federal regulations regarding the treatment of capital equipment. Federally funded equipment cannot be depreciated through an SRC.

As stated in Appendix 1, SRCs should continue not including depreciation in cost basis calculations.

#### **F. Unallowable Costs**

As the costs associated with a recharge operation are passed through to grants and contracts through the SRC billings, all costs incurred by the recharge operation must be allowable according to Uniform Guidance §200.400. Some common unallowable costs include the following:

- Advertising and Public Relation Costs
- Alcoholic Beverages
- Alumni Activities and Relations
- Business Meals and Social Activities
- Equipment Purchases
- Gifts
- Student Activity Costs
- Costs included in the F&A calculation:

These unallowable expenses should be charged to a separate account.

#### **G. Setting Animal Care Facility Rates**

Rates for animal care facilities should be calculated according to the [Cost Analysis and Rate Setting Manual for Animal Research Facilities \(CARS\)](#).

[https://grants.nih.gov/grants/policy/air/rate\\_setting\\_manual\\_2000.pdf](https://grants.nih.gov/grants/policy/air/rate_setting_manual_2000.pdf)

## VIII. MANAGING SCIENTIFIC RECHARGE CENTERS

The SRC Manager/Director is responsible for the day-to-day activity of the recharge operation, with support from the Executive Director, Research Infrastructure, and the Center for Centers. They monitor the operations and take corrective actions as needed. They are responsible for the following:

- Ensuring the recharge operation complies with all University recharge policies and procedures.
- Ensuring recharge operations comply with all University policies and procedures.
- Adhering and complying with all federal regulations and requirements.
- Reviewing the recharge operations' revenues and expenses at least monthly to ensure all financial activity is completely and accurately recorded.
- Ensuring recharge operation billings are accurately, timely and adequately documented. The billing rates should be consistently charged to all users of the service.
- Ensuring the approved rate(s) is used for all recharge operation billings.
- Reviewing services provided on a periodic basis to ensure that the services provided are necessary and are not readily available from outside sources. If they are readily available from outside sources, there must be an overriding economic, ethical or other institutional issue to support the continued need for these services.
- Ensuring records are retained in accordance with record retention policies.
- Ensuring all SRC users are appropriately trained on safety and operating procedures.

### A. Institutional Expectations of a BC Recharge Center

Core facilities and SRCs at Boston College are organized under the Office of the Vice Provost for Research, with primary oversight through the Executive Director, Research Infrastructure. Certain expectations exist which must be met from the point of inception in order to maintain the designation of SRC. The primary criteria for continued operation as an SRC are described below, however this is not an exhaustive list and further specific details and expectations may need to be considered as well.

- Adherence to all appropriate components of the Boston College Scientific Recharge Center Policy and Procedure Manual
- Leadership by a Manager/Director responsible for all day to day operations of the facility
  - Specific details of the expectations of the SRC Manager/Director to be found in the associated Role Description on file at HR
- On-time submission of a complete and accurate annual report each year coinciding with the turn of the Fiscal Year (May 31/June 1) (see Appendix 5 for a template)
- Formation of a Faculty Advisory Committee (FAC) with a designated Chair that will provide feedback and serve as conduits for the dissemination of information to other faculty.

- FACs should meet at least twice a year
  - Minutes should be recorded and distributed to all committee members in a timely fashion for comment, correction, and validation
  - The FAC should have at least three members
  - The facility Manager/Director and Executive Director, Research Infrastructure should be an *ex officio* of each FAC
- Participation in annual strategic, operational, and financial review meetings with the Executive Director, Research Infrastructure
  - Implementation and continued utilization, including updating and administration, of the iLab Core Facility Management System
  - Maintenance of an updated, clear, and accurate web presence in compliance with BC standards
  - Contribution to external and internal equipment grant applications as appropriate
  - Participation in professional development events, such as meetings, workshops, and conferences
  - Participation in outreach, networking, and marketing activities such as surveys, fliers, tours, workshops, and courses

Questions and assistance with the above should primarily be directed to the Executive Director, Research Infrastructure.

### **B. Periodic Reviews**

The Center for Centers is expected to evaluate their SRC's activity each month, for the following:

- To determine accuracy of billings and expenses charged (including that the proper, approved rates were used to charge);
- To remove any unallowable costs charged to the SRC; and
- To assess each month's effect on the budget and projected year-end cost-recovery position.

Each year before the end of January, the SRC Manager/Director will send a mid-fiscal year summary report to the Office of the Vice Provost for Research providing an overview of current activity, projected activity, and any concerns. This will be prepared in consultation with the Executive Director, Research Infrastructure, and Center for Centers. The Vice Provost for Research Office and/or the Provost Office may perform a cursory periodic review of SRC income and expense more frequently.

### **C. Annual Budget Changes**

Any requested changes to an SRC annual budget must be sent to the Executive Director, Research Infrastructure, and the Center for Centers by October 1st of each year. Furthermore, as described above, an updated Cost Basis Spreadsheet (Appendix 4) must be completed at least every two years, including recharge rate for all services and anticipated utilization and revenue forecasts. All budgets and rate schedules extend through the BC fiscal year (June 1st through May 31<sup>st</sup>).

### **D. Fiscal Year-end Close**

The Controller's Office distributes a memo that discusses the closing process and calendar for that May 31 fiscal year end. General closing process responsibilities are discussed below.

- Complete billing: In order to most appropriately match costs with revenues, it is important to have each month's income billed to the SRC's users by the accounting close of that month. This is especially important at fiscal year-end when the SRC needs to ensure that its twelve months of expenses are matched with its twelve months of revenue. It is also important to have any adjustments to SRC expenses made by fiscal year-end.
- Unallowable costs: No unallowable costs or activities should be included in an SRC account. Each center Manager/Director must review the center accounts for unallowable costs or activities and notify CFC with any issues or questions.
- Cost-recovery review: CFC should estimate each SRC's cost recovery percentage prior to year-end as part of the annual budget process.
- In May each year, the Office of the Vice Provost for Research reviews a preliminary report for each SRC. Each SRC is reviewed a final time for unallowable costs, any other activity problems noted during the year, and to confirm the cost-recovery position.
- If the Office of the Vice Provost for Research review discloses any problems, the SRC Manager/Director and CFC is consulted and corrects the problem. Corrective actions include the following:
  - transferring an unallowable cost off the SRC account
  - completing billings for twelve months of SRC usage

### **E. Audits and Record Retention**

SRC charges are subject to audit as long as the grants or contracts which they charge (either directly or indirectly) remain subject to audit requirements. SRCs are also subject to periodic review by the University's Internal Audit department and by external auditors, to evaluate compliance with established university policies and accounting practices. Therefore, SRC activities must be adequately documented and records maintained to support expenditures, billings, and cost transfers. The Center for Centers, Executive Director, Research Infrastructure, and each SRC must, at a minimum, retain the following:

- Documentation of the proposal for the establishment and approval of a new SRC (Appendix 3).
- Documentation as to how the rate(s) were calculated (Appendix 4).
- Supporting documents related to approval(s).
- Supporting documents related to expenses incurred which are not retained centrally.

- Records supporting SRC utilization (level of activity) – for example via iLab reports.
- Records supporting the amount and basis of user billings (revenues).
- Records supporting the collection of receivables

Salary support documents should be retained for seven (7) years. Financial records, supporting documents, statistical records, and all of the records pertinent to an SRC's activity should also be retained for at least seven (7) years, unless a litigation claim or audit is started before the expiration of this period. In these cases, records need to be retained until three (3) years after all litigation, claims, or audit findings are resolved. .

## **IX. SCIENTIFIC RESEARCH CENTER BILLING**

This section describes in greater detail some of the journal entries required for SRC accounting. It is extremely important that SRC income and expenses be recorded correctly using the object codes / expenditure types in Boston College's Chart of Accounts that are appropriate to each type of SRC.

Charging and billing for SRC services shall be managed so that all SRC users are charged for their share of costs. Billings should be handled consistently each month to ensure proper accounting treatment and that income is properly matched to costs incurred. Typically, users should be charged monthly and the SRC should operate on the University's fiscal year (June 1st through May 31st). In some instances, operational circumstances may require a different billing interval (i.e. quarterly); in such cases, the SRC should obtain approval from the Office of the Vice Provost for Research, and the Controller's Office for alternate billing practices.

Additionally, each SRC Manager/Director, a representative from the Center for Centers, and the Executive Director, Research Infrastructure, should meet at least twice a year to review SRC billing processes and records to ensure that over-billing and under-billing are not taking place. Similarly, timely billing is critically important, and effort should be made to ensure that charges for services rendered in a given fiscal year are billed in the same fiscal year to avoid significant out-of-period billing.

### **A. Internal User Billing**

A valid account chartstring and authorization for work (SRC Manager/Director has provided safety and operational training) should be provided prior to allowing user access to the SRC services. This allows the center to bill the designated account for services and helps ensure the safety of the user(s). The authorization remains with the SRC as backup for billings. To charge the chartstring supplied by the user, the Center for Center prepares a journal entry. It is recommended that the SRC incorporate into their authorization request form:

- approval from the person authorized to charge the account;
- a "maximum" or "not to exceed" dollar amount;
- an end date if it is a sponsored account;
- a list of who is allowed to charge to the account.

Internal user charges will be billed to the appropriate projects or departmental accounts by a monthly SRC recharge journal entry completed by the Center for Centers. In the case of both internal and external user billing, iLab usage data is employed to generate the invoices that are then confirmed by Principle Investigators before charges are submitted and completed.

To record revenue from internal usage, the SRC uses the appropriate recharge credit expense account code. Revenue from internal users will be recorded in the SRC account as a credit to expenditures. Internal user revenue will not be recorded as revenue.

### **B. External User Billing**

SRC sales to external users will be recorded in the financial system as revenue, not as a credit to expenditures. The Center for Centers will create a monthly invoice using usage data from ilab for each external user to bill for the external user's services. To record the invoice in the university financial system, the SRC will credit the revenue account 46200 and debit the SRC accounts receivable account 13185 for each invoice.

As detailed in Appendix 1, the standard external rate will equal the cost basis plus F&A increment. External non-academic rates could be set higher than this if a fair market rate assessment has been conducted.

**C. Accounts Receivable**

The University operates on an accrual basis; therefore, it is important to record revenue once the services have been provided, rather than when the associated cash has been collected. The Center for Centers is responsible for the recording, tracking, and collecting amounts due from external customers.

**D. Documentation of User Charges**

Documentation of SRC user charges should include the level of activity, the rate used to calculate the charges, and the month for which the charge is incurred. This allows SRCs to show their users and auditors that the correct rates were used to calculate the amounts charged on monthly allocation journals. Periodic internal or external audits may be conducted on this documentation.

## **X. CLOSING A SCIENTIFIC RECHARGE CENTER**

If following extensive consultation with an SRC Manager/Director, the Executive Director, Research Infrastructure, and the SRC Faculty Advisory Committee, it is determined that an SRC should be closed, it could either be discontinued completely, merged with another facility, or transitioned to a core facility that is not an SRC. The Office of the Vice Provost for Research needs to communicate to the Provost Office, Human Resources, and the Controller's Office once it is decided that an SRC will close. The communication should include the following information:

- The date the recharge operation will cease operations.
- The intended disposition procedures associated to any inventory (e.g. sale, write-off due to obsolescence, etc.).
- An estimate on the collectability of the outstanding receivables.
- The final surplus/deficit fund balance of the recharge operation.
- Personnel impacted
- The balance in the depreciation recovery account, if applicable.
- A list of all equipment in the SRC (Item #, Make, Model, etc..)



## **XI. DEFINITIONS**

See section III for definitions of Core Facilities and Scientific Recharge Centers. Additional definitions:

### **Facilities and Administrative (F&A) Costs**

F&A costs are those that are incurred for common or joint objectives and cannot be readily identified or specifically identified with a particular sponsored agreement or other activity without a substantial effort disproportionate to the results achieved. F&A costs are defined under two broad categories of cost groupings. Facility costs are defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. Administrative costs are defined as general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenses not specifically included under one of the subcategories of facilities.

### **Unrelated Business Income Tax (UBIT)**

An exempt organization, such as Boston College, is not taxed on its income from an activity that is substantially related to its charitable, educational, or other purpose that is the basis for the organization's exemption. However, if an exempt organization regularly carries on a trade or business that is not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business.

**XII. EXHIBITS (See Attached)**

Appendix 1: BC Scientific Recharge Center FAQs

Appendix 2: Facilities Use Agreement for External Users

Appendix 3: New Scientific Recharge Center Request Form

Appendix 4: Cost Basis Spreadsheet

Appendix 5: Annual Report Template