



SERVICE CENTERS POLICY

PURPOSE:

CSUSM Corporation is committed to ensuring that all CSUSM academic operating units (i.e. Academic Colleges, Academic Departments, Centers, or Institutes) functioning as Service Centers, as defined in this policy, follow federal costing principles outlined in *Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200).

SCOPE:

This policy applies to:

- I. Service Center Directors (Department/Center) responsible for managing operating units functioning as Service Centers. Service Center Directors provide relevant information to assist CSUSM Corporation Business Operations with their annual review.
- II. Dean, Graduate Studies and Research responsible for authorizing a new Service Center for its academic or scientific merits;
- III. The Vice President of Finance and Administrative Services responsible for authorizing a new Service Center for its financial viability;
- IV. CSUSM Corporation Finance and Business Operations responsible for reviewing annual cost analysis submissions, approving rate schedule updates, and monitoring for financial compliance.
- V. Any other operating unit (i.e. Academic Department, Center, or Institute) within CSUSM wanting to charge a fee for service, on an ongoing basis, to internal users paying for their services with funds from sponsored projects.

POLICY:

- I. Service Center Criteria
 - a. A Service Center is an academic operating unit within CSUSM that provides highly complex or specialized services on a continual basis to users for a fee. Service Center activities can result in charges to federally sponsored awards (i.e. grants, contracts or cooperative agreements) in direct support of the University's research mission.
 - b. Must be a sustainable, ongoing operation providing goods or services to users facilitating the research mission of the University;
- II. Costing Requirements
 - a. Fees are based on an approved rate schedule in compliance with Uniform Guidance (2 CFR 200) which requires:

- i. The rate schedule must be consistently applied to all internal users regardless of their source of funding;
 - ii. The rates cannot be designed to discriminate against users paying for their services from federally sponsored awards;
 - iii. The costs of each service must include its direct costs, and when appropriate, its allocable share of indirect costs.
 - iv. Must be designed to recover only the aggregate costs of providing services.
 - v. Capital purchase costs may not be included in the annual rate calculation. Rather the eligible annualized depreciation may be used as a cost to calculate the rate(s).
 - vi. Use of allowable costs, please see “Service Center Allowable Costs” section in the procedure.
- b. Rates shall be reviewed at least annually.
- c. Year-end balances shall take into consideration over/under applied costs from previous period(s).
- d. Service Center Director or Academic Department is responsible for clearing service center deficits annually, as applicable.