

Rate Reviews for Research Service Centers/Core Facilities

Office of Sponsored Research



September 28, 2023

2023 SYMPOSIUM
FOR RESEARCH ADMINISTRATORS

Contact Information



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CORE INFRASTRUCTURE AT UNC

Research Core Development Team (OSP/VCR)

Ben Wright – Director RCD
Meghan Kraft – Interim Director
Research Core Strategy
Michael Akridge – Financial Analyst

OSP Cost Analysis & Compliance

Brian Bertlshofer – Director
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Chris Gregory – Director
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Shared Resources and Operations

UNC College of Arts and Sciences

Jim Cahoon – Exec. Dir. of Research
Core Facilities

CORE INFRASTRUCTURE AT UNC

Research Core Development Team (OSP/VCR)

- Partner with departments, schools, and existing recharge centers to develop a campus-wide Core strategy
- Survey equipment and resources to establish a central asset repository
- Consult on core management, business process improvement and marketing
- Provide options for treatment of volatile rates and assist with more frequent rate reviews
- Manage iLab adoption and training
- Serve as *ad hoc* members of CFAC

OSP Cost Analysis & Compliance Team

- Initiate rate reviews on biannual basis
- Review operating plans and rate development worksheets
- Approve rates and provide MOAs
- Ensure compliance to financial policies for recharge centers

Office of Research Technologies (SOM)

- Supports cores with all operational processes, from starting a new core to rate reviews and developing operating plans
- The Core Facility Advocacy Committee (CFAC) provides funding
- Advocates within the School of Medicine with a commitment to all cores within the UNC Chapel Hill ecosystem
- Educates core personnel on areas of interest, including providing ABRF membership and supporting grant writing, career development and sustainability initiatives

LCCC (SOM) Asst. Director

- Partner with existing recharge centers in LCCC to support operations, finance, funding requests, etc.
- Consult on core management and business process improvement
- Assist with solutions for marketing core facility services
- Serve as *ad hoc* member of CFAC

UNC College of Arts and Sciences Exec. Director

- Partner with existing recharge centers in CAS to support operations, finance, funding requests, etc.
- Consult on core management and business process improvement
- Assist with solutions for marketing core facility services
- Serve as liaison with Research Core Development Team (OSP/VCR) and ORT (SOM)
- Serve as *ad hoc* member of CFAC

Financial Reports and Smartsheets

- Core Facilities Financial Reporting Tools
<https://tableau.unc.edu/#/site/oris/projects/1282>

- Includes transactional data that can help with estimates
- Rate review status information found on “Cores – Totals” dashboard

Core Financial Totals Last Updated: 8/29/2023

Overall balance, revenue, and expense information. Also includes rate review status.

Balance Information ⓘ
Comparison of cumulative balance of previous year and current year in the current accounting period

Total Previous FY	Total Current FY	Total Amount Change	Total % Change	Total Cumulative Balance
-\$6,233,869	-\$6,834,656	-\$600,787	▼ -9.64%	-\$582,754

Source Core: (All) | Account Type: (All) | School Name: (All)

Rate Review Information From Smartsheets Report ⓘ

Source Core	last_rate_review	review_dates	current_status	Date In Current Stat
[REDACTED]	06/29/21	Apr-Jun 2023	Forms Sent to CA&C Director	08/02/23
[REDACTED]	06/30/23	Jul-Sep 2025		
[REDACTED]	08/20/21	Apr-Jun 2022	Signed Forms Sent to Departme..	03/15/22
[REDACTED]	05/03/23	Apr-Jun 2025		
[REDACTED]	08/01/23	Jul-Sep 2025		
[REDACTED]	03/31/23	Oct-Dec 2025		

A red arrow points from the Balance Information table to the Rate Review Information table.

RATE REVIEW INFORMATION



OSP Cost Analysis and Compliance Team performs reviews



Reviews completed since October 2022: 69



Median time to complete rate review: 92 days



Rate review status information available in Tableau "Totals" dashboard



Templates and FAQs available on RCD webpage



OSP Cost Analysis and Compliance

- **RSC Process Improvement**
- Pain Points Identified during RSC Reviews

RSC Process Improvement

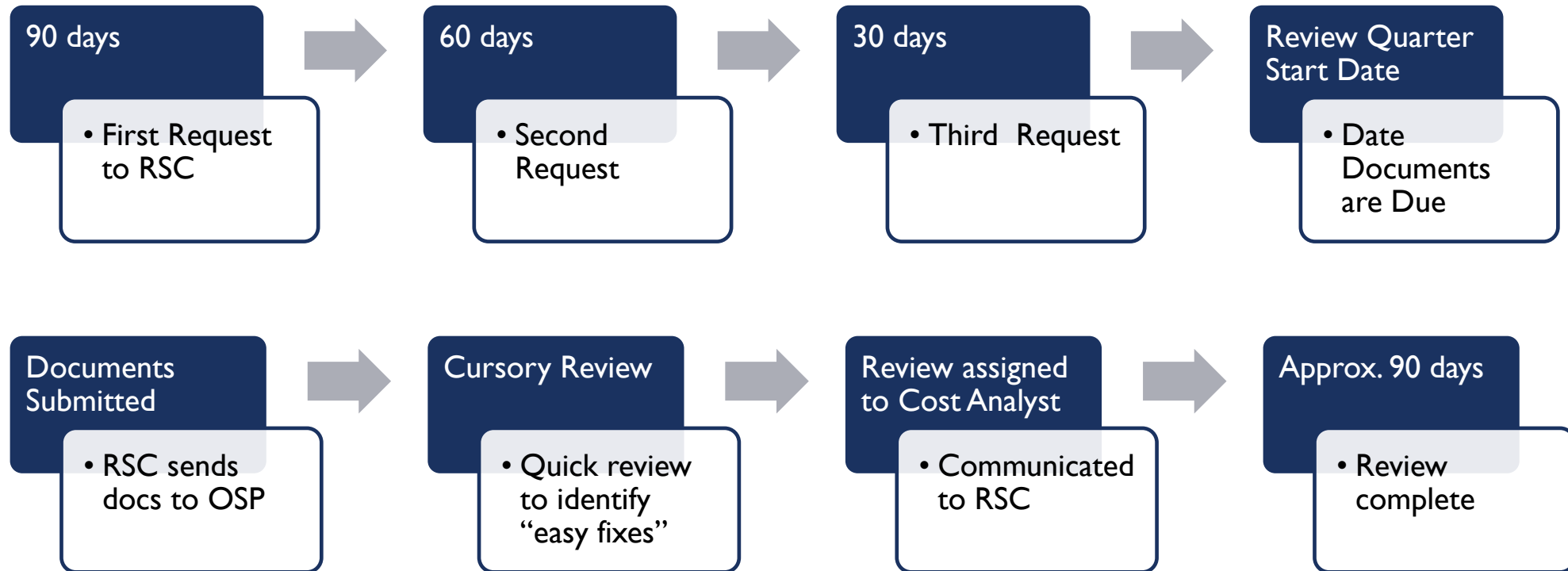
Identify areas where OSP Cost Analysis (CA) group could improve RSC Rate Review process:

- Communication with RSC personnel
- Modification/Elimination of review steps to create a more efficient review process
- ❓ Provide information to RSC personnel at beginning of rate review (ex: fund balance) to avoid multiple adjustments to rate calculations
- Creation of fillable pdf for Operating Plan
- Remove duplicate information requested on the Operating Plan (RSCOP) and Rate Development Worksheet (RDW)

RSC Process Improvement – Communication with RSCs

- **Two-year review cycle for RSCs** – Each RSC assigned to specific quarter in two-year cycle to the balance number of rate reviews in each quarter. Approximately 110 RSCs – 12 to 15 reviewed in each quarter.
- **Request rate review documentation 90 days before RSC's assigned review quarter** – OSP CA will send out request to RSC personnel for rate review documentation 90 days before beginning of assigned rate review period. OSP CA will also send reminders at 60, 30, 14, and 7 days before review period.
- **Planned Step: Entrance Conference** – At beginning of review, determine if RSC would like to schedule discussion to go over timeline, expectations, and process for review. Probably no longer than 30 minutes.
- **Research Core Development, Office Research Technologies (SOM), and OSP Cost Analysis** - Teams available to assist RSC personnel with the rate development process.

RATE REVIEW TIMELINE



RSC Process Improvement – Communication with RSCs

Once Rate Review Documents are Received from RSC:

- Communication to RSC acknowledging receipt of rate review documents (Rate calculation – RDW and Operating Plan - RSCOP) and estimated timeline for Cost Analyst’s start of rate review.
- Initial cursory review (pre-review) of submitted documents to ensure information has been provided in several key areas. The pre-review will identify and request omitted information immediately after submittal. Key areas include:
 - Depreciation – Decal numbers for listed capital equipment where “Yes” is elected to include depreciation in rates.
 - Subsidies – Information in RSCOP documenting source of subsidies.
 - RSCOP – All questions answered and match information on RDW (units of measure and annual operating levels).
 - RDW – 100% allocation of expenses and subsidies to proposed rates or equipment maintenance contract is identified with equipment on ReOp6 – Equipment tab.

RSC Process Improvement – Communication with RSCs

At the Completion of the Rate Review:

- Final communication will be sent to appropriate RSC and Departmental personnel noting that rate review has been completed and includes the following information:
 - Copies of signed documents (RDW, RSCOP, Fund Balance, and Memorandum of Agreement (if necessary)).
 - References to RSC policies noting how often rate reviews are performed and the expected timing for the next review.
 - When an off-cycle rate review can be requested and how they are performed.
 - Reminder that the purchase of capital equipment on an RSC chartfield must be approved by the OSP Cost Analysis group (RSCSupport@unc.edu).

RSC Process Improvement – Modification/Elimination of Review Steps

- **Fund balance** – Eliminate the recalculation of the fund balance throughout the rate review. Original calculation will be used for review and any additional surplus/deficit created during review will be added/subtracted during next rate review.
- **Eliminate supervisor/secondary review where possible** – Secondary review can be bypassed unless:
 - Cost Analyst in new or has limited experience
 - RSC has unique issues or large percentage of external sales
 - RSC has proposed depreciation or subsidies – only will focus review on these items
- **Memorandum of Agreement (MoA)** -
 - RSC Director will be the only required signature on an MoA
 - New RSC Director must sign MoA acknowledging new responsibilities
 - If RSC Director signed an MoA at the end of a previous review, then a newly signed MoA is not required
 - Communication that the rate review is completed, with copies of the signed documents, will be sent to the appropriate RSC and Departmental personnel

RSC Process Improvement – Fillable pdf for Operating Plan (RSCOP)

Fillable pdf Operating Plan (RSCOP) template created as part of the RSC process improvement

- New form is a user-friendly smart pdf document which replaces the old Word document version
- Depending on how each question is answered, a drop down will appear requesting additional information
- Duplicate information requested on RDW is reduced or eliminated from the fillable pdf RSCOP
- An Instruction document is available to assist with the completion of the RSCOP
- The form can be signed electronically or printed for an ink signature (electronic signatures preferred)
- The fillable pdf form and instruction document are located on the OSP Research Core Development Webpage under “Resources” at: <https://research.unc.edu/sponsored-programs/resources/research-core-development/>



OSP Cost Analysis and Compliance

- RSC Process Improvement
- **Pain Points Identified during RSC Reviews**

Pain Points – Information Provided during RSC Rate Review

Operating Plan (RSCOP)

- Question 5.C. – Are these services available outside the University?
 - If yes, please list out the major competition and describe how their services compare to your RSC.
 - Compare the competition's rates to your RSC's rates.
- Question 5.F. – List total dollar amount of sales where the invoices have been sent but payment not received.
 - We are looking for outstanding Accounts Receivable (A/R) – invoices sent that have not yet been paid by your customers.
- Question 5.G. – List of total dollar amount of expenditures where invoice has been received but not yet paid.
 - Goods or services purchased by your RSC, invoiced by the provider, but not yet paid by UNC-CH.

Pain Points – Information Provided during RSC Rate Review

Operating Plan (RSCOP)

- Section 5. – User Information, Monitoring and Rate Development

5. User Information, Monitoring and Rate Development

	Fund Source to be charged				Total % of Service
	Federal %	State %	Dept. Trust/OH %	Other %	
Internal to University:	50	5		35	90
Intra Dept. (within dept.):	25	5		25	55
Inter Dept. (other dept.):	25			10	35
External to University:				10	10
Total % of Service:	50	5		45	100

Pain Points – Information Provided during RSC Rate Review

Operating Plan (RSCOP)

- Section 6. – Financial Support and Assistance

6. Financial Support/Assistance

A. Are service center costs totally recovered through its fee revenue? Yes No

1. **Start-up (seed) money:** funds made available in the initial operational phase that support costs associated with start-up/set-up of operations. Please complete the information below:

2. **Ongoing Non-sponsored support:** use of funds from a non-sponsored source that provides ongoing support to integral components of the service centers annual operating cost. Please complete the information below:

3. **Program project:** a single sponsored award that supports multiple sponsored projects and related activities. Please complete the information below:

4. **Center support grant:** similar to program projects, center support grants are used to support a research center or research institute. Please complete the information below:

5. **Capital Equipment (equipment)** is defined as tangible non-expendable personal property that has a useful life of more than 1 year and an acquisition cost that equals or exceeds \$5,000.

The service center has an equipment subsidy if it:

1. Uses equipment funded by a sponsored agreement, or state appropriations, or
2. Uses equipment funded from an unrestricted source (such as a university gift, or overhead receipts) the cost of which is NOT REIMBURSED through RSC fees.

6. **Other sources of support:**

Pain Points – Information Provided during RSC Rate Review

Operating Plan (RSCOP)

- Section 6. – Financial Support and Assistance

2. Ongoing Non-sponsored support: use of funds from a non-sponsored source that provides ongoing support to integral components of the service centers annual operating cost. Please complete the information below:



Fund	Source	Department	Project ID	Program	Cost Code

Start Date: End Date: CFS Manager:

Describe the subsidizing chartfield string and the support provided to the research service center:

Pain Points – Information Provided during RSC Rate Review

Operating Plan (RSCOP)

- Section 6. – Financial Support and Assistance

4. **Center support grant:** similar to program projects, center support grants are used to support a research center or research institute.

Please complete the information below:

Fund	Source	Department	Project ID	Program	Cost Code
Start Date:		End Date:		Principal Invest.:	

Describe the center support grant and its relationship to the research service center:

Pain Points – Information Provided during RSC Rate Review

Rate Development Worksheet (RDW)

- ReOp6-Equipment Depreciation
 - Please provide a decal number for all capital equipment listed on the form – need decal number to calculate correct depreciation amount using information from equipment’s asset record.
 - Correct description of equipment – to verify that the correct asset record is reviewed for depreciation information.
 - Location of equipment – building name, building number, and room number.
- ReOp4-Maintenance Contracts
 - Decal number for equipment covered by contract – in most instances the decal number should match equipment listed under tab ReOp6-Equipment Depreciation.
- Internal and External Operating Levels
 - The internal and external operating level information provided in the RDW (ReOp I-Main Worksheet) and the RSCOP (Section 5) should match.



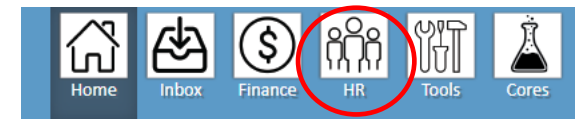
TIPS FOR COMPLETING RATE DEVELOPMENT WORKSHEET AND OPERATING PLAN

Annual Operating Level

- “ReOp I-Main Worksheet” tab, row 33 and 34
- Number of units expected to be provided by core per year
- Based on “unit of measure” in row 36
 - Ex. per sample, per hour
- Reasonable estimate of annual activity; can use historical data to support
 - New grants or PI collaborations planned for the next year should be considered
 - Must align with personnel effort charged to RSC
 - Usage data from iLab and Infoporte useful in generating estimate

Salary and Benefits

- “ReOp2-Personnel-Salary & Benefi”
- Ensure salaries are current
 - For employees that report directly to you, salary and employee information can be found in Infoporte
- Benefits amounts will auto-populate
- Ensure that operating levels from Tab I align with personnel effort on this tab



Name	PID	Position	Pay Status	Primary Job Dept	Primary Job Title	Type	Full-Time/PT	Position Type	Total Salary
			Active	420401:Information Technology-SOM	Technology Support Technician	SHRA	Full-Time	Permanent	
			Active	382000:SW-Research Projects	Visual Arts Specialist	SHRA	Part-Time	Permanent	
			Active	315701:Entrepreneurship	EPA Undergraduate	EHRA Students/Teaching Fellow	Part-Time	Temporary	
			Active	424001:Pharmacology	Admin Support Specialist	SHRA	Part-Time	Temporary	

Materials and Supplies, and Other Direct Costs

- “ReOp3-Supplies” – Materials and Supplies
 - Lab supplies, materials, consumables
- “ReOp5-Other Direct Costs”
 - Software, computers under \$5k, memberships, travel/conferences
- Historical financial data can inform estimates
 - Transactions can be obtained from accounting staff, Infoporte, or Core Facility Tableau Financial Reports
- Items can be grouped on RDW, but be prepared to provide detail if asked

Maintenance Contracts

- Previously purchased maintenance contracts can be found in financial data
- Maintenance contracts are purchased via Purchase Order (PO)
 - Financial data will include PO #, vendor, and amount paid
 - Dates covered by contract will be on the actual PO document (business office can pull this document if needed)
- Asset Tag should be on the piece of equipment
 - If not, contact your business manager
 - If business manager can't determine asset tag number, contact RCD

Equipment

- Decal # - this should be on the asset tag attached to the piece of equipment
 - If not, contact your business manager
 - If business manager can't determine asset tag number, contact RCD
- Information for previously existing equipment can be found on prior RDW
- Information for new equipment can be found on the Purchase Order
 - Purchase Order Number can be found in financial data
 - CFS used to purchase equipment
 - Dept Number
 - PO Number
 - Acquired Date
 - Vendor
 - Description
 - Building Name and Room Number
 - Capitalized Cost (purchase price)



Equipment Depreciation

- “ReOp6A-Equip Depr Alloc” tab
- “ReOp6-Equip Depr” tab, column Q
 - If “Yes”, then equipment will be included on tab “ReOp6A-Equip Depr Alloc”
 - Complete allocation %s beginning at column D on tab “ReOp6A-Equip Depr Alloc”
 - If “No” for all, then skip tab “ReOp6A” and “ReOp6B”
- Equipment for which “yes” is selected – OSP CAC Team will calculate depreciation during rate review
- “ReOp6B-Depr Sched” will be completed by OSP CAC Team

Subsidies

Subsidy = ongoing direct financial support from department, center, or school

Row 13 – subsidies that apply to all internal users

Row 50 – subsidies that apply only to members

Operating Plan

Guidance document available on OSP RCD webpage

Use previously completed Operating Plan as a guide

Contact RCD or SOM ORT for assistance

Contact Information

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Questions?





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