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charges to special ad hoc committees as deemed necessary.

B. Service Centers. Each service center must have a separate account(s) for budgeting and accounting for its operations. All direct costs of operations must be charged to the service center account, and any permitted indirect costs must also be charged to the service center account, if included in the billing rates charged for services rendered.

   a. Service centers that include depreciation, building use allowances, or operations and maintenance costs in their billing rates will have special restricted accounts used solely for purchasing of capital equipment and paying for alterations and renovations to service center facilities.

C. Recharge Operations. Each recharge operation must also have a separate account(s) for budgeting and accounting for its operations. Billing rates used by recharge centers must recover no more than the direct cost of the goods or services being provided. Recharges to a particular sponsored project or any other account may be applied only when there is a direct relationship to the account being charged.

   a. It is the responsibility of the department head to ensure that rates do not exceed the direct cost of providing the service, and that total annual direct costs do not exceed $50,000. If the direct costs of a recharge center are projected to exceed $50,000, a minor service center must be established during the budget process for the next fiscal year.

D. Billing Rates. Federal grants and contracts cannot be charged higher rates for goods and/or services than any other internal user. However, external users may be charged rates higher than internal users. Service center billing rates must be calculated, reviewed, and approved annually. Billing rates should be based upon budgeted operating costs, prior year carry forward amounts, and expected units of activity in the current year.

   Any surplus of recharges (i.e., user fees charged to internal users) of 10% or less in a fiscal year and any unsubsidized deficits of 10% or less in a fiscal year must be transferred to a restricted carry over account and used to calculate future billing rates. Disposition of recharge surpluses in excess of 10% will be determined on a case-by-case basis. A surplus of an unrestricted service center generated by higher billing rates to external users must be transferred from the service center account and used for any unrestricted purpose prior to the end of the fiscal year.
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