

**Shared Facilities**

**Administration Guidelines**

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# Overview

The purpose of these Administration Guidelines is to provide information concerning compliance with federal regulations and University policies as they pertain to shared facilities operations. The intended audience is faculty, students and staff in a Northeastern University department or unit involved in the operation of an academic shared facility.

As a recipient of federal funding, the University must comply with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2C.F.R. §200) (“Uniform Guidance”). The Uniform Guidance requires that service units charge according to actual usage at non- discriminatory rates calculated to recover no more than the actual costs of the service provided (§200.468). Non-compliance could harm the University's reputation, reflect negatively on future award proposals, and could also lead to repayments or fines to the government.

These guidelines apply primarily to Shared Facilities having total operating expenses of $100,000 or more per year must comply with these Administrative Guidelines.

Facilities that do not meet this threshold may be operated by local units (Institutes or Departments) on a fee for service basis, but are subject to periodic review by the University and must be able to demonstrate their exemption with financial detail from the most recent fiscal year. Such facilities remain obligated to comply with the Uniform Guidance, all federal requirements, and other University policies.

The Shared Research Facility Committee, together with Northeastern University Research Enterprise Services (NU-RES) and the Senior Vice Provost for Research (SVPR) provides oversight and review of the financial aspects of shared facilities, analyzes and approves the rates charged to users for their services, and provides guidance for financial aspects of shared facility management.

## Definition of a Shared Facility

A Northeastern University Shared Facility is an operation that charges for goods or services in direct support of the research or academic mission of the University. Shared Facilities recover some or all their costs through fees charged to users, including federally sponsored projects, based on established billing rates and actual usage of service. Northeastern recognizes four types of shared facilities: (1) Specialized Service Facility (SSF), (2) Shared Research Facility (SRF), (3) Department User/Resource Facility, and (4) Auxiliary Service Unit (Recharge Center), Below is the general information regarding these types of shared facilities. There is a glossary for more details at the end of this document.

### Specialized Service Facilities

A category of Shared Research Facilities with annual operating expenses of more than $1 million or that provide highly complex or specialized services to a select group of users. The billing rates for these centers are based on their direct operating costs and an allocated portion of F&A costs. If the F&A is not included in the shared facility, these F&A amounts must be covered by other funds and excluded from the federal F&A calculations. Specialized Service Facilities are also known as “SSF” in Uniform Guidance, Subpart E (§200.468).

Examples: wind tunnel and animal care facilities

### Shared Research Facilities

Operating units within Northeastern colleges, departments, institutes, or, centers that provide goods or services for a fee based on a published rate schedule, and directly support the university's research or academic mission and recover costs through charges to internal and external users. Shared Research Facilities must have total operating expenses of $100,000 or more per year.

Examples: machine shops, analytical services, and instrument and computer facilities

### Department User/Resource Facility

Single instruments or small group of instruments physically located within an academic unit or institute that provide goods or services for a fee based on a published rate schedule, have annual operating costs less than $100,000, and are directly administered by the local academic unit. Department User/Resource Facilities are not covered by the Shared Facility Policy and these guidelines.

### Auxiliary Service Units

Centralized University operating units that are generally not part of academic departments and provide services routine and non-specialized services to the entire university community. These Service Units are not covered by the Shared Facility Policy and these guidelines.

Examples: dining service, information technology, residential hall, and parking services

## Federal Regulations

### 2.C.F.R. 200 (Uniform Guidance)

Shared Facilities are subject to strict federal regulatory requirements concerning rate development, the allowable cost components for the rates, and the general financial management of shared facilities. All shared facilities operate under the federal guidelines as outlined in [2CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/summary), specifically Subpart E – Cost Principles and Other Federal and University Regulations and Procedures.

### National Institutes of Health (NIH)

The NIH has issued the document [FAQs for Costing of NIH-Funded Core Facilities](https://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-053.html) which is intended to clarify questions as they relate to shared research facilities that receive funding from NIH and/or are used by investigators with NIH funding.

## Creation of Shared Facilities

### Do I Need to Create a New Shared Facility?

Prior to establishing a new shared facility, please see below for helpful questions in determining

whether a Shared Research Facility should be established:

1. Is this service available elsewhere on campus?
2. Is the need for this service short-term or long-term?
3. Is this service provided for, or subsidized by, a federal award?
4. What portion of users will be internal vs. external?

## Review and Approval Flow Chart for New Shared Facilities



## Shared Research Facility Review Standup Procedure

1. ***Local Unit (College/Department/Institute)***
	1. Identifies a need to set up a Shared Facility after reviewing University Policy and Administrative Guidelines on Research Website.
	2. Determines whether to request a Specialized Service Facility, Shared Research Facility, or Department User/Resource Facility according to definitions Administrative Guidelines
	3. Completes **Shared Research Facility Request Form**. The purpose of the request form is to identify the need and market for the proposed service, identify any needs to accommodate the center (e.g., space), make an initial estimate of costs and revenue to establish viability of the center, and document the support of sponsoring entities such as Colleges, Institutes, Departments and the Senior Vice Provost for Research (SVPR).
	4. Submit approved Request Form to Shared Research Facility Committee (SRFC).
2. ***Sponsoring Colleges, Institutes, or Departments***
	1. Review and approve Request Form. Review by the SVPR is required for Specialized Service Facilities.
3. ***Shared Research Facility Committee***
	1. Reviews Request Form with representatives from the Center or Facility and NU-RES according to checklist in Administrative Guidelines
	2. Notifies Local Unit and NU-RES of approval or rejection.
4. ***Local* *Unit, NU-RES, and SVPR***
	1. Completes **Rate Sheet** in cooperation with NU-RES and facility sponsors (College/Institute/Department). The purpose of the rate sheet is to detail the allowable costs of operation and projected usage of the Center or Facility that are used to establish user rates and formulate a 3-5 year business plan.
	2. Completes a **Memorandum of Understanding** (MOU) in cooperation with the facility sponsors (College/Institute/Department) and the SVPR. The purpose of the MOU is to define the governance of the Center or Facility, identify the parties who are responsible for compliant operation of the Center or Facility, and to establish commitments from the sponsors of the Center or Facility to subsidize it as needed to maintain it near break-even as detailed in the rate sheet.
	3. With NU-RES, presents summary of Rate Sheet and MOU to SRFC.
5. ***Shared Research Facility Committee***
	1. Reviews Rate Sheet and MOU with representatives from the Center or Facility and NU-RES according to checklists in Administrative Guidelines present Rate Sheet and MOU to Shared Research Facility Committee reviews rate sheet
	2. Identify any outstanding concerns and makes final recommendation to SVPR and NU-RES
6. ***SVPR*** makes final approval, establishes restricted account for the Facility and notifies SRFC, NU-RES Finance CA and Local Units
7. ***Local Unit*** starts operation and provides NU-RES Administration group the detail information to publish on the website

# Budgeting for Shared Facilities

Shared Facilities must create annual budgets that include anticipated revenues and expenses.

## Revenue Budget

The revenue budget should be based on the estimated volume of goods or services sold times the applicable rates. When estimating revenue and usage levels, considerations should include prior year performance, prior year subsidy levels, and anticipated changes in the operations of the shared facility and needs of internal and external users.

## Allowable Direct Costs

The expense budget should include all costs for operating the shared research facility including administrative expenses directly associated with operations of the facility. Expense categories include:

* + - * Salaries, wages and fringe benefits
			* Materials and supplies
			* Maintenance and repair, including equipment maintenance agreements
			* Rentals and leases, including operating equipment leases
			* Travel & conferences relevant to training and shared facility management
			* Purchased services/professional fees

## Unallowable Costs

Unallowable costs must be excluded from the budget as well as the shared facility rate calculation and may not be charged to Shared Facility users. Examples of unallowable costs include, but are not limited to those listed below:

* Advertising
* Alcoholic beverages
* Airfare in excess of “coach”
* Bad debt or uncollected billings
* Capital equipment purchases
* Donations and contributions
* Entertainment/Gifts
* Fines and penalties Memberships
* General Office Supplies
* Selling and Marketing Costs
* Sales tax

Details on Specific Types of Expenses **Salaries, wages, and fringe benefits** for direct personnel and administrative staff whose efforts are directly related to the shared facility’s activity or management should be included in the rate calculation. If an individual works on more than one activity, the costs associated with that individual must be allocated to the activities based on the proportional benefit. Likewise, administrative costs benefiting more than one shared facility activity must also be allocated. Effort reporting, a time study, or another equivalent method may be used to determine the appropriate allocation.

* **Materials, services, and supplies** needed to operate the shared facility are allowable and should be included in the rate calculation. These expenses must be included in the financial analysis for the

fiscal year in which they are used. If excess materials or supplies are purchased during the fiscal year,

the shared facility should exclude these costs from the rate calculation.

* **Equipment lease, rental and service contracts** and other professional services are allowable and should be included in the rate calculation for th**e** fiscal year in which they were incurred. For capital leases, only the amount that would be allowed had the non-Federal entity purchased the property upfront, can be included in the shared facility rate. Unallowable costs associated with a capital lease would include amounts paid for profit, management fees, and taxes as these costs would not exist if the equipment was purchased up front. (2 CFR § 200.465). The equipment depreciation is an allowable cost, however, Northeastern has included the depreciation in F&A proposal instead of considering the depreciation as a direct cost to the Shared Facility rate calculation.
* **Travel** related directly to and necessary for the operation of the shared facility (i.e. conferences, meetings, local travel) are allowable.
* **Other Direct Costs** not identified above are allowable to the extent that they relate directly to and are necessary for the operation of the shared facility and are not specifically unallowable under University policy

## Carryforward of Prior Year Surplus/Deficit

 The cumulative surplus from prior years (up to the allowable annual 15% threshold) must be included in rate calculations unless return to the users who generated the surplus.

The cumulative deficit from prior years (up to the allowable annual 15% threshold) may be included in rate calculations or subsidized by the department.

# Rate Development

## General Process

Local managing units are responsible for ensuring that shared facility rates comply with the guidance in the Shared Facility policy and these guidelines and are submitted biennially to the NU-RES Finance for review and approval. Rates should be calculated using the Shared Facility Rate Template Form. Local managing units also responsible for conducting the interim rate review per fiscal year. Rates may require adjustment at any point during the year if the Shared Facility determines that current rates and usage will generate a deficit or surplus beyond 15% of annual operating expenses. Local managing units will be required to fill out the Shared Research Facility Progress Form for interim review.

A shared facility rate is the cost per billable unit of goods or services sold in order to recover the expenses of the shared facility and achieve a breakeven financial position. A billable unit is the measurement used to identify the specific goods and/or services provided by a shared facility. The use of an appropriate billable unit is essential to ensuring that users are charged only their fair share of the actual costs of operating the shared facility. Examples of billable units include:

• Labor hours or machine hours

• Unit cost

• Number of samples or tests performed

• Any other unit of measurement appropriate to the type of activity

Rates are based on budgeted projections of operating expenses, including a carryforward surplus/deficit, divided by projected levels of activity or revenue.

Budgeted Expenses + /- Cumulative Carryforward Surplus/Deficit

 Billable Units

For example, a microscope costs approximately $150,000 per year to operate and has an estimated usage (activity level) of 1,800 hours during the year. The resulting hourly rate would be calculated as $150,000/1800 hours = $83.33 per hour. A researcher using the microscope for 4 hours would then be charged $333.32, or 4 x $83.33.

Pricing that is contingent upon types or levels of usage should be developed for each discrete type of service, and there should be no cross subsidies between services.

## Breakeven Expectation

The break-even period is a reasonable period of time over which cumulative revenue for a service or product equals cumulative expenses. Shared facility billing rates should be calculated to recover the aggregate cost of a service/product over a defined period (normally one year).

Some shared facilities require a longer break-even period due to startup costs, volume fluctuations or other extraordinary circumstances.

## Surpluses or Deficits

It is not possible to predict what rate(s) will achieve an annual break-even financial position. The cumulative allowable threshold of +/- 15% allows for reasonable variances in volume or expenses. Rates and expenses should be reviewed and adjusted interim as necessary to avoid fluctuations in excess of the 15% threshold.

* Deficits or surpluses within +/- 15% of total operating costs should be carried forward as an adjustment to the billing rates of the following year or the next succeeding year.
* Deficits in excess of 15% should generally be subsidized /written off with funds from outside the shared facility (support funds, unrestricted funds or applicable restricted funds).
* Surpluses in excess of 15% must be refunded to the users/sponsors that paid the higher costs and the 15% may be included to reduce future rates..

## Multiple Services

Where a shared facility provides different types of services to users, separate billing rates should be established for each service that represents a significant activity of the shared facility. The costs and revenues should also be separately identified for each service. The goal is to create a billing rate that does not cross-subsidize services or user groups. Shifting the costs of services or users to other services or users would unjustifiably misalign shared facility costs and their benefit to grants and is, therefore, not allowed.

## Cost Allocations

Where separate billing rates are used for different services provided by a shared facility, the costs related to each service must be separately identified through a cost allocation process. Cost allocations also will be needed where a cost partially relates to the operations of a shared facility and partially to other activities of a department or other organizational unit. Cost allocations are to be made on an equitable basis that reflects the relative benefits each activity receives from the cost. For example, if an employee provides multiple services, an equitable distribution of his or her salary among the services can usually be accomplished by using the proportional amount of time the employee spends on each service. Other cost allocation techniques may be used for internal shared facility administrative overhead and institutional indirect costs, such as the proportional amount of direct costs associated with each service, space utilized, etc.

## Subsidies and Subsidized Rates

Subsidies occur when shared facility expenses are paid from an account outside of the shared facility’s operating account. The portion of shared facility deficits funded by institutional subsidies cannot be carried forward as adjustments to future billing rates.

Since subsidies result in a loss of funds to the University, they must be approved by the Provost, Dean, and/or Department Chair and should be provided only when there is a sound programmatic reason and approved by the school in which the shared facility resides. Subsidies generally are provided where the service is deemed essential to the mission of the University and the cost of providing the service is so high as to preclude usage by those requiring the services. In addition, subsidies may be required in the initial term of operation, where the usage volume is too low to adequately cover costs. The total shared facility budgeted expenses should reflect the full unsubsidized cost of providing the services.

Subsidies can be applied in the following ways:

* **Subsidy (to Users)** – Funds provided by departments to cover the difference between a lower rate paid by specific users and the full rate. For example, subsidies may be provided by a specific department that wishes to subsidize only users from that department. The shared facility recovers the full cost of services provided to subsidized users by charging the difference between the full rate and the subsidized rate to the department providing the subsidy.
	+ Example 1: Shared facility ABC Machines calculated rate is $100 per unit and the user will be subsidized $15 per unit.

 DEBIT (PI Account): $85

 DEBIT (Subsidizing Account): $15

 CREDIT (Shared Facility Account): $100

* + Example 2: Department provides a discounted rate of $10 less than the calculated rate of $50 to specific groups of internal customers (e.g. junior faculty, students, or members of a lab) in a lump sum. The group purchases 100 units within the year.

THROUGHOUT THE YEAR:

DEBIT (specific groups): $4,000

CREDIT (Shared Facility Account): $4,000

 AT YEAR END\*:

DEBIT (Subsidizing Account): $1,000

CREDIT (Shared Facility Account) $1,000

 \*Please note that an interim review would need to recognize the lump sum subsidy as part of the

 break-even calculation.

* **Subsidy (to Shared Facility)** –
	+ Funds provided to a shared facility to cover operating costs during the year or to cover deficits at year end.
		- **Example 1**: At year end the Department provides a subsidy to cover the deficit in excess of 15% for that year.

 CARRYFORWARD DEFICIT: $30,000

 TOTAL REVENUE AMOUNT: $475,000

 TOTAL OPERATING EXPENSES: $550,000

 SUBTOTAL(DEFICIT): -$85,000

 Breakeven Calculation: 17% ($85,000/$500,000)

 SUBSIDY AMOUNT: $10,000

 Deficit: $75,000

Breakeven Calculation: 15% ($75,000/$500,000)

* + - **Example 2**: At year end the School/Department provides a subsidy to cover the overall deficit for that year.

CARRYFORWARD DEFICIT: $0 (Fully subsidized previously)

TOTAL REVENUE AMOUNT: $475,000

TOTAL OPERATING EXPENSES: $500,000

SUBTOTAL (DEFICIT): -$25,000

SUBSIDY AMOUNT: $25,000

* + Funds provided to a shared facility upfront to the operation. For this kind of subsidies, Shared Facility Directors must identify them in the rate template but offset this subsidy from the rate calculation.
		- **Example 3**: The subsidy provided by the School/Department or Central Administrative office upfront to support the operation.

SUBTOTAL DIRECT COSTS: $200,000

SUBSIDY AMOUNT: $50,000

TOTAL OPERATING EXPENSES: $150,000

## Rate Development Templates

To facilitate the development and review of rates for goods and services charged by individual shared facilities, templates have been developed that should be used to assist in developing rates for new services and shared facilities as well as existing rates.

In addition, the development and review of shared facility rates should adhere to the following principles:

* Billing rates should be designed to fully recover the direct operating costs of providing the services on an annual basis, and for SSFs, all relevant and allowable F&A costs. No costs other than the costs incurred in providing the services can be included in the internal billing rates.
* The costs to be recovered must exclude unallowable costs and be net costs after applicable credits.
* Depending on the specific circumstances involved, there may be four categories of cost that need to be allocated:
	+ Costs that are directly related to providing the services, such as the salaries and fringe benefits (at the current federally negotiated rates) of staff performing multiple services. Please note that for any faculty salaries included in the rate, costs in excess of the NIH salary cap must be excluded from the rate computation.
	+ Internal shared facility administrative overhead
	+ Institutional indirect costs (applicable and allowable to SSFs only)

Shared facilities may propose differential pricing for peak times and/or emergency services so long as all users are charged in accordance with the approved pricing schedule and the non-peak hours and/or

non-emergency services are readily available to all users without discrimination as to user and/or source of funding.

## Rate Development Timing and Interim Review

Billing rates should be reviewed annually for the start of each fiscal year. (Note that OMB Uniform Guidance mandates that rates for SSFs be adjusted at least on a biennial basis.) The Rate Development Process is synchronous with the Budget Development Process. Shared facilities should develop and submit proposed rates to NU-RES Finance Cost Accounting at the time of submission of budgets. These rates should be based on costs and revenues for the most recent fiscal year close. Rates may be adjusted based on review and feedback provided by NU-RES Finance Cost Accounting. Unless there are any further changes, those rates will be reviewed, and if acceptable, approved for use effective in July for the new budget year.

## Rate Review Threshold

### Annual Operating Expenses less than $100,000

Shared facilities with annual expenses less than $100,000 must be able to demonstrate their exemption with financial detail from the most recent fiscal year and have them available for review upon request from the Shared Research Facilities Committee. If charging to grants, Service Units Manager or someone in a departmental financial role must ensure the costs are directly associated and attributable to the service that is provided on the grant. Departments must maintain supporting documentation whenever submitting journal entries. A detailed log of usage must be generated to track the actual usage among the users. The review should conduct annually to ensure the exemption still apply, but these service units do not need to follow the Shared Facilities Policy and administrative guidelines to fill out the rate template.

### Annual Operating Expenses more than $100,000

Centers with annual expenses of $100,000 or greater must submit the Shared Facility Rate Template to the Shared Research Facility Committee and NU-RES Finance for review and approval. Any changes in approved rates must be documented and submitted for review and approval as well.

# New Account set-up

Each shared facility should have unique general ledger account information to ensure that both periodic and annual accounting is easy to record, track and monitor.

## New Shared Facilities

In order to obtain a unique Northeastern Ledger 3 account, new shared facilities must first be approved by the Shared Research Facility Committee. After approval, the Accounting office coordinates the establishment of new Northeastern general ledger accounts.

The shared facility must maintain sufficient general ledger accounts or alternative documentation to substantiate that there are no cross-subsidies between discrete services.

##

## Shared Facility Support Accounts

Shared facility support accounts, also called support funds, can be established, and used to record the following:

* Capital purchases (equipment over $5,000)
* Cost unallowable for federal reimbursement *(For examples of unallowable costs, please see page 8)*
* Bad debt
* Add on charges to external customers
* Cover the deficits
* Funds borrowed by the shared facility for startup that must be returned once the shared facility is beyond the initial break-even phase
* Incidental Maintenance Revenue

If a shared facility support account does not exist, the alternative is to charge these expenses to unrestricted or create a support account.

Funds in a shared facility support fund **can only be used in support of the associated shared facility.** Transfers are allowed to reimburse departments for F&A charges or to repay borrowed funds.

# Billing

Billing must be based upon measured and documented utilization. Shared facilities must maintain a published list of rates for all services or products available. Customers should be billed in a timely manner (recommended monthly) and can only be billed based on the established and published rates. Information necessary to bill customers should be obtained when orders are placed.

The costs of a service/product should be charged to customers based on:

1. Actual consumption or use of the service/product multiplied by the billing unit

2. A schedule of consistent billing rates

## Rate Consistency

Rates can be set based on hours, units, clock time, or any other metric that is the closest approximation for utilization of resources to produce the good or service. Rates established by shared facilities must be non-discriminatory, and all users of the facility must be billed for services. Non-discriminatory means all **internal users** must be charged at the same rate(s) for the same level of services or products purchased. (Note that subsidies are applied to the full rates). shared facilities are prohibited from charging reduced rates to select users unless such reduced rates are available to all internal users. **External users** may be charged a higher billing rate than internal users to recover F&A costs, other related expenses or to subsidize internal users.

## Internal versus External Users and Rates

### Internal Users:

 Investigators within Northeastern University who pay for goods or services through internal billing using a Northeastern index and account code.

### External Users:

 An entity or person that is legally separate from Northeastern that typically purchases goods or services for reasons of convenience, quality, or uniqueness of goods or services offered. Work for external entities should generally be performed with a formal contract executed between Northeastern University and the External Entity.

**Strategic Partners**:

External partners engaged in collaborative research or ventures of strategic importance

 to Northeastern University’s research enterprise, including government, non-profit,

 and corporate entities.

Examples: include Rogers, Raytheon, and VRC.

### Internal Rates:

All Northeastern University cost centers and academic institutions within Northeastern University are considered internal users and will be billed internal rates. Federal sponsored users cannot be charged higher rate compare to other users.

### External rates:

External rates are higher than internal rates and include the facilities and administrative costs of the Shared Facility.

## Documentation for Billing

* Shared facility billings must include the full costs, fees charged for the service, and any approved subsidies.
* All users must be charged for services during the fiscal year the service is rendered (except for the month of June, which services traditionally are invoiced in the next fiscal year). Monthly invoices should be processed and charged via journal entry to the internal NU users. There should be 12 months of billings posted to the shared facility account in a fiscal year.
* A discrete cost center must be established in the University’s accounting system to record the actual direct operating costs of the shared facility, internal shared facility administrative overhead, revenues from billings and surpluses, or deficits. Documentation to support units of service, billings, and rate calculations must be maintained by the shared facility.
* Financial, statistical, and other records related to the operations of a shared facility must be retained for seven years from the end of the fiscal year to which the records relate. Records supporting billing rate computations must be retained for three years from the end of the fiscal year covered by the computations.

# Accounting/Financial Requirements

Users should be invoiced only for actual time used where time-based fees for equipment are involved. The actual time used may include setup/preparation time and cleaning time, if those items were factored into the rate calculation. If users are charged for unused reservation time where no actual equipment was used and/or for scheduled time in excess of actual use time, those charges may only be processed to non-grant funds. Grants may only be charged for actual

equipment time, i.e., login to logout elapsed time, together with setup and cleaning time as appropriate.

* Shared facility billings must include the full costs, fees charged for the service, and any approved subsidies.
* All Shared Facilities’ goal is to recover operating costs and achieve break-even
* Any amounts charged to external users in excess of the regular internal University billing rates should be excluded from the computation of a shared facility’s surplus for purposes of making carry-forward adjustments to future billing rates with the following exception: Shared facilities with operating deficits must use any external surplus to offset the deficit.
* All users must be charged for services during the fiscal year the service is rendered (except for the month of June, which services traditionally are invoiced in the next fiscal year). Monthly invoices should be processed and charged via journal entry to the internal NU users. There should be 12 months of billings posted to the shared facility account in a fiscal year.
* A discrete cost center must be established in the University’s accounting system to record the actual direct operating costs of the shared facility, internal shared facility administrative overhead, revenues from billings and surpluses, or deficits. Documentation to support units of service, billings, and rate calculations must be maintained by the shared facility.
* All shared facilities must submit budget proposal along with the Shared Research Facility Request Form
* The establishment of charge rates for all new facilities must be reviewed and approved by Shared Research Facility Committee, NU-RES Finance, and Provost Office. The requests for approval must contain the following information:
	+ A copy of the Shared Research Facility Request Form approved by the Shared Research Facility Committee, including the reason why the services can best be provided by an internal facility rather than by an external service provider.
	+ A multiyear budget plan including projected costs and utilization of the services.
	+ A copy of the 3-Year Rate Template for billing rate calculations and supporting data.
	+ Where applicable, a comparison of rates charged by external service providers.

# Closing a Shared Facility

Shared facilities may be closed due to a variety of circumstances such as insufficient business volume, obsolete technology, lack of institutional support, programmatic, or other reasons. Whether the closing is requested by the shared facility director or by other institutional officers, the Shared Facility Administration Office will coordinate the orderly closing of the shared facility.

The Shared Research Facility Committee, in consultation with the school or administrative office, will communicate with the Provost Office as appropriate, and other offices to prepare for the closing. This may include, but is not limited to, developing a plan to complete any work in process, redeployment of personnel, and disposition of capital equipment, supplies, and other assets of the center.

A financial status report of the center will be prepared to determine if there is a deficit or surplus. Outstanding financial obligations and accounts receivable, among other items, will be reviewed and analyzed. If there is a deficit, the account must be brought to zero to be closed within the University’s financial system. If there is a surplus, there will be an analysis performed and a plan prepared of how the surplus will be distributed. This distribution plan will depend upon materiality and if University subsidies are part of the surplus.

# VIII. Website Development

Example: [https://research.northeastern.edu/shared-research-facilities-at-northeastern/shared-facilities/](https://research.northeastern.edu/shared-research-facilities-at-northeastern/shared-facilities/%20)

# IX. Roles and Responsibilities of Local Managing Units

* Estimating staffing, operating expenses, service volumes
* Submitting Research Shared Facility Request Form including the business plan, budget proposal, and letter of support of the Shared Facility.
* Calculating interim rates, at least annually, based on estimated expenses and projected usage, and submit Research Shared Facility Progress Report to NU-RES Finance Office for review.
* Preparing official rate review and completing the Shared Facility Rate Template Form that is submitted biennially to the NU-RES Finance Office.
* Ensuring that rates comply with administrative guidelines and are reported and reviewed by the NU-RES Finance Office
* Generating monthly billing and ensuring invoices are submitted timely to users
* Reviewing the annual financial results for Shared Facilities, including income and expenses, to ensure that the balance forward is within the recommended margin of ±15% of breakeven.
* Retaining documentation of all approvals, including approvals of rate calculation, adjustments, interim and year-end breakeven analyses
* Assisting with internal and external audits
* Providing financial details of any Departmental Service Units within the local academic unit for the most recent fiscal year for review by the NU-RES Finance Office and Shared Research Facility Committee. Detailed responsibilities for the management of Departmental Service Units are included in the Administrative Guidelines.

# X. Administrative Roles and Responsibilities

## NU-RES Finance Office will:

* Maintain the Shared Facility policy and provide oversight and guidance relating to the policy
* Maintain a current Shared Facility list and all approved rate sheets
* Assist local units to generate the breakeven service rate and ensure the financial results compliance with the federal guidelines
* Review each Shared Facility rates at least biennially and maintain a schedule for reviews
* Provide mid-year rate reviews as needed for substantial changes to an operation or finances of a Shared Facility
* Monitor overall P&L for approved research shared facilities and provide reports to senior leadership
* Monitor timely processing of invoices through either JVs or integrations to ensure charges are allocated in the correct period of performance
* Work with the Shared Research Facility Committee to standardize processes and business practices throughout the University.

## Shared Research Facility Committee (SRFC)

* Approve faculty oversight groups for each research shared facility
* Promote standardization of business practices among Northeastern’s research shared facilities.
* Periodically survey faculty needs and recommend creation of new shared research facilities or termination of outdated or ineffective ones to the SVPR.
* Represent the University in local consortia of shared research facilities
* Develop and administer a procedure to process the Shared Facility requests
* Meet periodically with the NU-RES Finance Office to monitor compliance with the policy and timely submission of shared facility rates

## Provost Office:

* SVPR for Research will hold approval authority for all university shared research facilities, including the associated financial plan.
* Prior to SVPR approval, the Provost’s Office of Budget and Planning will review the financial sustainability plan for the proposed shared research facility and approve any financial commitment from the Provost’s Office.
* The Provost’s Office of Budget and Planning will also review any college’s plan for financial support of shared research facilities in the context of the hybrid budget model

# XI. Appendix

## Appendix A – Federal Guidelines

### NIH-Funded Core Facilities FAQ

Website: <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-053.html>

### Uniform Guidance (2 CFR 200) – Specialized Service Facilities

Website: [https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=982970ab02a13085ba5b0de4362c37a4&mc=true&n=pt2.1.200&r=PART&ty=HTML#sp2.1.200.e](https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=982970ab02a13085ba5b0de4362c37a4&mc=true&n=pt2.1.200&r=PART&ty=HTML%23sp2.1.200.e%20)

## Appendix B – Related Documentations

* + Shared Facility Policy
	+ [Shared Facility 3-Year Rate Template](https://research.northeastern.edu/shared-research-facilities-at-northeastern/stand-up-documents/#ratesheetthreeyears)
	+ [Shared Facility Rate Template Instructions](https://research.northeastern.edu/shared-research-facilities-at-northeastern/stand-up-documents/#rateinstructions)
	+ [Shared Facility Request Form](https://research.northeastern.edu/shared-research-facilities-at-northeastern/stand-up-documents/#facilityrequestform)
	+ [Shared Facility Memorandum of Understanding (MOU)](https://research.northeastern.edu/shared-research-facilities-at-northeastern/stand-up-documents/#mouunderstanding)
	+ [Shared Facility Progress Report](https://research.northeastern.edu/shared-research-facilities-at-northeastern/stand-up-documents/#progressreport)

## Appendix C - Definitions

**Auxiliary Service Unit**- A center that provides goods or services primarily to students, faculty, staff, and others for his/her own personal use, rather than as a service to internal University operations. Examples of auxiliary service units include residence halls, dining services, and parking services. Auxiliary service units are not subject to this Administrative Guidelines and the Policy Statement.

**Billing Rate** - The amount charged to a user for a unit of a good or service. Billing rates are computed by dividing the total annual costs of a service by the total number of billing units expected to be provided to users of the service for the year.

**Billing Unit** - A measure of the goods or services provided by a shared facility that serves as the basis for the calculation of its rates. Examples include machine or labor hours, number of orders, number of samples, animal care days, tests performed, equipment time used, etc.

**Breakeven** – The point where revenues equal expenses, where there is no surplus or deficit.

**Carry Forward** – The balance of previous year-end surpluses or deficits that become the opening balance in the next fiscal year. The cumulative carry forward amount can be comprised of balances from multiple years. The carry forward balance is included in the current year calculation of rates and the breakeven analysis.

**Deficit** – An amount by which a center’s expenses exceed its revenues.

**Departmental Service Unit** - Single instruments or small group of instruments physically located within an academic unit or institute that provide goods or services for a fee based on a published rate schedule, have annual operating costs less than $100,000, and are directly administered by the local academic unit. Departmental Service Units are not covered by the Shared Facility Policy and these guidelines.

**Depreciation** – A method of apportioning the cost of property and equipment over the estimated useful lives of the asset. While equipment depreciation is an allowable cost in Shared Facility, Northeastern has put the equipment depreciation in the F&A proposal, therefore cannot be included in the rate.

**Direct Operating Costs** - All costs that can be specifically identified with a service provided by a shared facility. All direct costs must be budgeted and charged directly to the shared facility. These costs include the salaries, wages, and fringe benefits of University faculty and staff directly involved in providing the service, materials and supplies, purchased services, travel expenses, equipment rental

**Equipment** - An item of tangible property having a useful life equal to one year or more and an acquisition cost of $5,000 or more. Purchases below this amount are considered minor equipment or consumable supplies. Please reference the University’s definition of general ledger codes for proper classification of expenses: General Ledger codes and descriptions.

**Expenses** – Costs incurred to operate a shared facility, whether paid or accrued, that benefit only the fiscal period.

**Facilities and Administrative Costs** - F&A costs are also known as “indirect costs” or “overhead” and they are the costs of administrative and support functions of the University. F&A costs consist of general administration and general expenses, such as executive management, payroll, accounting, and human resource administration; operations and maintenance expenses, such as utilities, building maintenance, and custodial services; building depreciation and interest associated with the financing of buildings; administrative and supporting services provided by academic departments; libraries; and special administrative services provided to sponsored projects.

**Shared Facility** - A shared facility (SF) is an organizational unit which provides a specific type of good or service to Northeastern University departments, rather than to individuals or the general public, and is supported by interdepartmental charges to the user’s operating accounts. The users typically determine the amount of goods/services they obtain. Such a good/service might be purchased from commercial sources, but for reasons of convenience, cost, or control, often is provided more effectively through a NU shared facility. The rates charged by a shared facility generally are formulated to recover operating costs.

**Specialized Service Facility (SSF)** - This shared facility provides the services of a highly complex or specialized facility, such as electronic computer centers, animal care facilities, wind tunnels, reactors, and genomic array processing, generally with annual operating expenses of $1,000,000 or greater.

**Surplus** - The amount that the revenue generated by a service exceeds the costs of providing the service during a fiscal year.

**Shared Research Facility** - Units within Northeastern departments or centers that charge for goods or services that directly support the research or academic mission of the University and recover costs through charges to internal and external users. The operating expenses have to be $100,000 or more.

**Unallowable Costs** - Costs that cannot be charged directly or indirectly to sponsored programs. These costs are specified in the Uniform Guidance issued by the Federal Office of Management and Budget. Common examples of unallowable costs include advertising, alcoholic beverages, bad debts, charitable contributions, entertainment, fines and penalties, goods and services for personal use, interest (except interest related to the purchase or construction of buildings and equipment), selling and marketing expenses.

**Uniform Guidance (2. C.F.R. 200)** – guidance set forth by the Office of Management and Budget (OMB) that identifies the “Facilities” administrative requirements, cost principles, and audit requirements related to specialized service facilities.

## Appendix D – Review Checklists

**Checklist for SRFC review of** **Shared Facility Request Form**

1. Has the need for the proposed center been justified?
2. Are the proposed services consistent with University strategic goals?
3. Is there a sufficient local base of users?
4. Is there a sufficient external base of users?
5. Does the proposed instrumentation meet the need?
6. If new equipment is required, is acquisition feasible or approved?
7. If the proposed center requires new space or substantial remodeling of current space, is that feasible or approved?
8. Do the projected overall revenue and cost of operation look reasonable?
9. Does the proposed center have the approval of all relevant parties? (College, Institute, or Department, SVPR)

**Checklist for SRFC review of Rate Sheet and MOU**

1. Are the rates and user categories clear to all parties?
2. Are there any outstanding concerns about the business plan?
3. Are there any additional parties that need to be aware of the Center or Facility?
4. Are there any additional recommendations for operation of the Center or Facility?

**Checklist for NU-RES review of Shared Facility Rate Sheet**

1. Are the proposed costs reasonable and allowable, and sufficiently documented?
(Allowable costs include (a) salaries and fringe benefits for facility staff, (b) materials needed to maintain full operation of the facility, including gases, reagents, sample holders, sample preparation costs, tools, etc. (c) service contracts for maintenance of the instrument, (d) incidental maintenance not covered by a service contract (e) staff travel to training specialized shared research facilities conferences (f) other costs
The following costs are *not* allowed: (a) depreciation on non-federally purchased equipment, (b) advertising (except personnel recruitment) (c) bad debts (d) contributions and donations (e) entertainment (f) fund raising, including federal grant preparation (g) public relations, (h) acquisition of new equipment.
2. If the itemized costs include such things as website development, scheduling and billing software, or data storage, has the center considered using centrally supplied resources for these functions?
3. Is the rate for internal users less than or equal the actual cost of operation for all services? Is the same rate available to all internal users?
4. Does the rate for external users recover F&A costs? Is the resulting rate competitive with prevailing market rates for similar services?
5. Are the definitions of different user groups reasonable and allowed? Are rates equally available to all internal users? Is there sufficient rationale offered for defining external collaborators or strategic partners?
6. Are the projected usage rates reasonable? Is time allocated for instrument maintenance, calibration, and training? Is there sufficient facility staff to cover the available user time? Are the usage projections based on historical data?
7. Is any projected growth in usage, either overall or within specific user groups, reasonable and justified?
8. Are any proposed subsidy rates reasonable and supportable?

**Checklist for NU-RES review of Annual Progress Report**

1. Are the actuals of the current fiscal year correctly recorded in the Shared Facility Fund?
2. Are there any changes of the usage?
3. What are the estimated expenses and revenue for current fiscal year? (Summary of the data from Rate Sheet)
4. Are there any anticipated changes to the Shared Research Facility in the coming fiscal year (Equipment, faculty, service, etc.)?
5. Is there any publication that result in the Shared Research Facility from the past year?