



Service Centers:
Do You Have Any?
Are You Sure?
How Do You Find Them?

(PUI Track)

15th Annual FINANCIAL RESEARCH
ADMINISTRATION CONFERENCE



Service Centers: Do you have any?...

Jennifer Smolnik

Senior Cost Accounting Analyst

ASU Office of Knowledge Enterprise Development

Tom Colella

Director of Core Research Facilities Admin

ASU College of Liberal Arts and Sciences

15th Annual FINANCIAL RESEARCH
ADMINISTRATION CONFERENCE



Show of hands:

- How many of you have one or more service centers at your institution?
- Do you plan to set up a service center?
- Who is unsure about whether or not you have a good candidate for service center activity?



What justifies creating a service center?

- A-21 J.47 (now in 2 CFR 200.468) – SSF definition
- Existing Equipment, Services, Infrastructure
 - Sharing research equipment after grant closes
 - Using instructional resources for research
 - Core Facility startup and maintenance
 - Animal Care Facilities, etc. (A-21 J.47 details)



What is not a service center activity?

- Should this be called research instead?
 - Ad hoc collaborations
 - Unique Scope of Work
 - Generating IP or patent
 - Requiring special reviews (human subjects, animal testing, clinical trials)



Sticky Points

- PI serving his own sponsored projects
 - How do you allocate costs to each project?
- Faculty working with industry or non-profit
 - Routine service or Collaboration?



Allowable Costs

- Depends on what entities are being charged.

	Federal	Non-Federal
Salaries/Wages	?	X
Capital	?	X
Services	X	X
Materials/Supplies	X	X
Other "overhead"	?	X
Travel	?	X

- Is the cost specifically allocable to the center?



Who is responsible for oversight?

- Budgeting/Rate development – BOM/Accountant

- College level approval – Dean/Center Executive

- Initial and ongoing reviews/approvals – SPA or Central Financial Services

15th Annual FINANCIAL RESEARCH
ADMINISTRATION CONFERENCE



Now that I have a service center, what do I do with it?

- Must-Do:
 - Review at least biennially to check for over/under
- Should-Do:
 - Marketing/advertising
 - Post rates (minimally internal)
- Might-Do:
 - External contracts & agreements
 - Determine F&A on external sales & how it will be distributed

15th Annual FINANCIAL RESEARCH
ADMINISTRATION CONFERENCE



Case Study #1

Dr. Smith receives a very large DOE award for a 3 year study on biofuels. The grant funds salaries of 3 grad students, 1 technician, and a project manager, who is responsible for managing the budget. After year 2, Smith's group has completed all of the analyses that will require use of the state-of-the-art EPR equipment funded by the grant. Several other colleagues within Dr. Smith's department, three colleagues at other universities, and two local companies are interested in having Smith's lab analyze bio-diesel samples using the EPR, the only one of it's kind in the state. One of the companies is developing a product that they believe will have a strong market demand and would like Smith to sign a Non-Disclosure Agreement (NDA) before completing the analysis to protect their IP.

- Dr. Smith approaches you for help setting up a recharge center. What do you advise?

15th Annual FINANCIAL RESEARCH ADMINISTRATION CONFERENCE

     The Practical & *The Possible*



Case Study #2

Two of your business school faculty have been approached by a public foundation, which is looking to support the faculty's collaboration with state and local government offices to make their operations more efficient. Once these collaborations are under way, the faculty are interested in providing similar services to local corporate and industry partners. The services they would be providing seem to be simple enough and repetitive. Costs of operation as a service center would really only include personnel costs.

- What questions might you ask?
- Do you have any concerns regarding creating a service center with this model?

Useful Links

- ASU Service/Recharge Center Guidance –
<http://researchadmin.asu.edu/recharge-centers>
- 2 CFR Part 200.468 (Specialized Service Facilities)
<http://www.ecfr.gov/>
- DCA Best Practices Manual, Section XII, B (pg. 112)
<https://rates.psc.gov/fms/dca/C&U%20Review%20Manual.pdf>

15th Annual FINANCIAL RESEARCH
ADMINISTRATION CONFERENCE

     The Practical & *The Possible*



March 15 – 17
San Francisco, CA

20
14

Questions?

Contact Info

Jennifer Smolnik

Senior Cost Accounting Analyst

ASU Office of Knowledge Enterprise Development

Jennifer.Smolnik@asu.edu

Tom Colella

Director of Core Research Facilities Admin

ASU College of Liberal Arts and Sciences

Tom.Colella@asu.edu