Purpose
This document establishes the Rutgers, The State University of New Jersey’s (RU) Service Center (SC) & Core Facility (CF) basic operations guidelines.

Rutgers is responsible for the stewardship of its resources and the public and private support that enables it to pursue its mission. The University is committed to ensuring that Service Centers & Core Facilities comply with all governmental laws and regulations and follow University policies and procedures that apply these laws and regulations.

What is a Service Center/Core Facility?
The term “Service Centers” (also referred to as “Core Facilities”) is the term used to distinguish operating units within RU that provide goods or services to externally sponsored awards for a fee based on a rate schedule, to recover no more than the aggregate cost of goods or services and break-even over time. These units may sell to other departments and are expected to offer goods or services on an on-going basis that are unique, convenient, or not readily available from external sources. The sale of goods or services must be consistent with the University’s mission and the normal activities of the college or unit associated with the organization. All entities must be able to demonstrate compliance with federal requirements, and cannot use fee structures that discriminate against federal and other funding sources. Activities conducted are not classified as sponsored research, and cannot be used to replace the performance of sponsored research. Service Center/Core Facility annual operating revenues must be at least $25,000 but not more than $1 million.

Definitions
Internal Customer - A school, department, faculty or staff member of the university that purchases goods or services to support a program or activity at Rutgers. Only direct costs are included in rates/costs for internal users. Internal users include Principal Investigators whose activities are funded by externally sponsored programs to the university, since these programs represent university activities.

External Customer - An external user is an entity or person with whom the university has no direct affiliation and for which the university has no fiduciary responsibility, and payments will be made from a non-Rutgers funding source.

Internal Fee-For-Service Unit – An operating unit established to provide routine, non-specialized goods and services to internal users. These units will typically only serve departmental or university-wide customers but do not charge sponsored awards or external customers. These include units such as IP&O. These Internal Fee-For-Service Units are not subject to these guidelines.

Recharge Unit – A Recharge Unit is an operating unit established to provide goods and services primarily to the university community, including sponsored awards, internal departments, and (incidentally) external customers. Recharge Units are usually non-academic in nature and their annual activity does not exceed $25,000. Recharge Unit rates will only include direct costs associated with providing the services for internal users (including sponsored awards). External user rates will include direct & indirect costs.

Service Center/Research Core Facility – A Service Center is an operating unit established to provide goods and services to the university community, including externally sponsored awards, internal departments, and (incidentally) external customers. Academic units of this nature are also sometimes referred to as “Core Facilities.” Service Center rates will only include direct costs associated with providing the services for internal users (including sponsored awards) and annual activity will exceed $25,000. External user rates will include direct & indirect costs.
Specialized Service Facilities – Specialized Service Facilities (SSF) are “Service Center” facilities that provide highly complex/specialized services and equipment with annual revenues greater than $1,000,000 and significant expenditures to/revenues from federal awards (50% or more). SSF’s additionally are resources that provide equipment, technical and administrative support, repository capabilities, consultation and/or training services in a specific scientific area for a fee to all investigators within the institution and possibly to external constituents. SSFs will develop rates which include direct, and in some cases indirect costs depending on the type of user, associated with providing the services.

Guidance
As a recipient of federal funding, the University must comply with the U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. §200) (“Uniform Guidance”). In accordance with Uniform Guidance, Subpart E (§200.468), our policy requires that all service centers charge customers using federal funds to pay for services according to actual usage, only recover costs, and not make a profit. Non-compliance could result in Government-imposed fines or disallowed costs. Service Centers are reviewed and tested biennially at the University-level for compliance.

Non-discriminatory Rates
Units must charge all internal users at the same rate for the same level of services or products purchased in the same circumstances. Rates must not differentiate among internal users. The use of special rates, such as for high volume work or off-hour usage, is allowed, but the special rates must be equally available to all users and a reviewed & approved methodology must be used in calculations.

External users, however, may be charged a higher rate that includes the applicable Facilities and Administrative costs for that fiscal year. Additionally, commercial customers may be charged rates above the total direct and indirect costs. Funds generated by incremental charges to external customers must be used exclusively to support the Unit and the school’s F&A costs. No funds can be transferred outside the Unit or the related support fund accounts.

Before providing goods or services to external users, service centers should consult with the University’s Tax Director within the University Controller’s Office, as some income may be taxable. In addition, service centers that sell goods and services to external users may be engaged in an “unrelated trade or business” as defined by the Internal Revenue Code. Revenues from these activities are generally subject to federal and state income taxes and must be reported by the University on its federal income tax return.

Establishment of New Service Center/Core Facility
The establishment of new service centers must be approved by the Dean of the school or head of the responsibility center where it will be located, the ORED Core Facilities Advisory Committee (Academic Units), RU Controller’s Office, and Tax Services. The requests for approval must contain the following information:

1. A description of the services to be provided and the users of the services.
2. The reason why the services can best be provided by an internal service center rather than by an external service provider.
3. A multiyear budget/business plan including projected costs and utilization of the services.
4. Billing rate calculations with supporting data. Costing & Compliance will work with the school or department to develop billing rates and initial business plans.
5. When possible, an examination of current market conditions should be conducted. If service centers exist in the market, a list of their rates should be compiled for comparison purposes.
6. The proposed location of the service center.
Prior to establishing a new service center, please see below for helpful questions in determining whether a Service Center should be established:

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

If you have additional questions, please send inquiries to cost@finance.rutgers.edu and/or cores@ored.rutgers.edu.