University of Alaska
Service Center Rate Proposal and Questionnaire

Please complete a separate questionnaire and proposal for each service center or recharge activity. This questionnaire should be submitted to the regional campus chief financial officer with each request to establish a Recharge Center or Time & Materials Center. In addition, an updated copy of the questionnaire should be submitted to the chief financial officer, or designee, with each annual rate proposal.

(See B-01 "Service / Recharge Centers" in Section 100 in the University of Alaska Accounting and Administrative Manual for guidelines on service/recharge centers and allowable costs)

Name of service center: Machine Shop Recharge Center

Service center org/fund number(s): 173020-66654

Individual to contact: Kathy Monteith

Work phone number: 474-1566

Date questionnaire was completed: 2-29-2012

Period for which rate is requested: FY13

Estimated recoverable costs for the period: $439,877

Estimated revenue for the period: $444,992

Estimated amount charged to federal grants and contracts:

Rates proposed:

$83.00 hourly – internal

$124.50 hourly – external

I reviewed this questionnaire and proposal. I believe it fairly represents the activities of the respective service center and request authorization to implement these rates as proposed.

GI Business Manager: [Signature]

Dean/Director Certification: [Signature]

CFO (Chief Financial Officer) Approval: [Signature]
1. Provide a brief description of the recharge activity, including why it is needed, principal customers or beneficiaries, and anticipated activity levels (attach explanation).

The GI's Machine Shop provides high quality precision machine work for research activities of the faculty and staff. This shop manufactures items as varied as precision space instrumentation and ice coring drills. Scientists develop designs and supervise fabrication of specific one-of-a-kind pieces of equipment to support their funded research projects.

2. Provide a brief description of the service center's operating cycle or other period over which accumulated revenues are expected to be approximately equal to accumulated allowable costs including equipment use allowances (attach explanation).

This center will operate on the University fiscal year. Equipment purchases are funded through unrestricted funds and are recovered over the useful life of the equipment.

3. Provide a brief description of the methodology used to establish the recharge rate, markup, or price (attach explanation).

Rates are established by estimating the number of billable hours to be generated during the fiscal year, estimating the cost that will be incurred to support that level of activity and then dividing the estimated costs by the estimated billable hours.

4. What unit of measure is used as a billing base (hour, day, procedure, mileage, etc.) _______ Hour

5. Approximately how many units will be processed or sold during the fiscal year?

5,361 hours

6. Are all users charged for this service? Yes ___ X ___ No ___

If no, how do you determine who is charged? __________________________

7. Are charges made to anyone other than university departments and grants and contracts? Yes ___ X ___ No ___

If yes, who are these external customers and estimated amounts of annual activity?

Misc federal & state agencies – (infrequently – none in FY02, FY03 & FY04; $1,125 in FY05)

8. Are all users charged the same rate? Yes _____ No ___ X ___

If no, how do you determine which rate is used? __________________________

External users are billed at this recharge center's external shop rate.
9. Are any costs related to this activity charged to another account or is the activity subsidized in some manner? Yes ___ X ___ No ______
   a. If yes, please describe the nature of the subsidy. 
      Subsidies from GI’s fund 1 are processed as needed to maintain a zero balance.

   b. Approximate amount of subsidy for the fiscal year. ___ $60,000.00 ___

10. Is an inventory required for this activity? Yes ______ X No ___
    If yes, what is the average value of the inventory, at cost? ______

11. Are there any significant assets (cash, accounts receivable, land, etc.) liabilities, commitments, or risk management exposures associated with this activity? Yes ______ X No ___
    If yes, please describe? _____________________________________________________________
    ________________________________________________________________________________
    ________________________________________________________________________________

12. Attached pro-forma income statements, schedules, and other supporting documentation and explanations as described in the accounting manual procedures for service/recharge centers, P-112.
FY13 RATE PROPOSAL
MACHINE SHOP RECHARGE CENTER
Significant Assumptions

1. FY12 salary and benefit costs are based on actual costs through December 31, 2011.

2. FY13 estimates of billable hours are calculated based upon FY11 and FY12 experience and are expected to increase slightly in the upcoming fiscal year.

3. FY13 salary and non-salary costs are estimated to be comparable to FY11 and FY12 levels. Salaries include a 3% increase to the hourly rate.

4. Anticipated FY13 labor includes FY12 staff benefits rates with a 5% increase to the rate.