Appendix C
Sample Rate Calculations

A. RATE CALCULATION FOR PROVIDING SERVICES

1. Calculation of Direct Operating Costs

Salaries and Fringe Benefits (5 technicians)	$270,002
Communications	2,800
Training and Development	300
Repairs and Maintenance	4,350
Supplies	5,500
Equipment Depreciation	6,345
Total Direct Operating Cost	$289,297

2. Internal Service Center Support Costs

Center Director Salary and Fringe Benefits	$38,057

3. Prior Year Operating Surplus/Deficit (1,000)

Total Operating Costs & Service Center Support Costs $326,354

4. Calculation of Units of Output

39 hours per week X 52 weeks	2,028.0
Less holiday hours (11 days X 7.8 hours)	(85.8)
Less average vacation hours (39 hrs/week X 3 weeks)	(117.0)
Less average sick leave (12 days X 7.8 hours/day)	(93.6)
Less breaks (1731.6/7.8 = 222 X .5 hours)	(111.0)
Less down time (average 1.75 hours/day = 222 X 1.75)	(388.5)
Total average available hours per technician.	1,232.1

1,232.1 X 5 technicians = 6,160 total productive hours (units of output)

5. Calculation of Rate

$$\frac{\text{Total Cost}}{\text{Units of Output}} = \frac{\$326,354}{6,160} = \$52.98/\text{hour}$$

B. RATE CALCULATION FOR PROVIDING GOODS

1. Calculation of Direct Operating Costs

Salaries and Fringe Benefits	$25,000
Total Direct Operating Cost	$25,000

2. Internal Service Center Support Costs

Support Staff Salaries and Fringe Benefits	$10,250
Office Supplies	1,000
Total Service Center Support Costs	$11,250

3. Prior Year Operating Surplus/Deficit	(500)
Total Operating Costs and Service Center Support Costs	$35,750

4. Calculation of Cost of Goods Sold

Chemicals	$100,000
Supplies	50,000
Glassware	31,250
Total Cost of Goods Sold	$181,250

5. Calculation of Administrative Charge

$$\frac{\text{Direct Operating Costs + Service Center Support Costs}}{\text{Cost of Goods Sold}} = \frac{\$35,750}{\$181,250} = .1972$$

6. Example of Total Charge for Good Sold

Cost of Goods Sold	$10.00
Administrative Charge $10.00 x .1972	1.97
Total	$11.97

C. RATE CALCULATIONS INVOLVING SUBSIDIES

Assumptions:
Total Operating Costs and Service Center Support Costs: $200,000

Annual Rate of Usage: 20,000 Units

Cost per Unit Usage: $10 ($200,000/20,000)

The Cost per Unit to All Users, whether Internal or External: $10

Example 1: The grantee institution does not receive subsidized support for the facility from any source.

The schedule of rates is:

Internal Users	$10 cost per unit usage
External Users	$10 cost per unit usage

Example 2: The grantee institution receives $100,000 to support the facility from the National Cancer Institute (NCI) under a P30 Center Core Grant. The $100,000 will be used to subsidize $5.00 ($100,000/$200,000 x $10) of the $10 per unit usage rate incurred by cancer center members for federally sponsored research projects.

The schedule of rates is:

Cancer Center Member – Federally sponsored	$10 cost per unit usage $5 subsidized by the NCI P30 $5 charged to the user
Cancer Center Member – Non-federally sponsored	$10 charged to the user
Other Internal Users	$10 charged to the user
External Users	$10 charged to the user

Example 3: The facility receives $100,000 to support the facility from the NCI under the P30 and $50,000 to support the facility from the National Institute of Environmental Health Sciences (NIEHS) under an Environmental Center Support Grant (P30). The $100,000 from the NCI will be used to subsidize $5 of the $10 unit usage rate incurred by cancer center members for federally sponsored research projects. The $50,000 from the NIEHS will be used to subsidize $2.50 ($50,000/$200,000 x $10) of the $10 unit usage rate incurred by the environmental career members for federally sponsored research projects.

The schedule of rates is:

Cancer Center Member – Federally sponsored	$10 cost per unit usage $5 subsidized by the NCI P30 $5 charged to the user
Cancer Center Member – Non-federally sponsored	$10 charged to the user
Environmental Center Member – Federally sponsored	$10 cost per unit usage $2.50 subsidized by the NIEHS $7.50 charged to the user
Environ. Center Member – Non-federally sponsored	$10 charged to the user

Other Internal Users	$10 charged to the user
External Users	$10 charged to the user

Example 4: The facility receives $100,000 to support the facility from the NCI under the P30 and $50,000 to support the facility from the NIEHS P30 and $50,000 to support the facility from institutional funds. The $100,000 from the NCI will be used to subsidize $5 of the $10 unit usage rate incurred by cancer center members for federally sponsored research projects. The $50,000 from the NIEHS will be used to subsidize $2.50 of the $10 unit usage rate incurred by the NIEHS center members for federally sponsored research projects. The $50,000 from the institution will be used to subsidize $2.50 ($50,000/$200,000 x $10) of the $10 unit usage rate incurred by all institutional users.

The schedule of rates is:

Cancer Center Member – Federally sponsored	$10 cost per unit usage $5 subsidized by the NCI P30 $2.50 subsidized by the institution $2.50 charged to the user
Cancer Center Member – Non-federally sponsored	$10 cost per unit usage $2.50 subsidized by the institution $7.50 charged to the user
Environmental Center Member – Federally sponsored	$10 cost per unit usage $2.50 subsidized by the NIEHS $2.50 subsidized by the institution $5.00 charged to the user
Environ. Center Member – Non-federally sponsored	$10 cost per unit usage $2.50 subsidized by the institution $7.50 charged to the user
Other Internal Users	$10 cost per unit usage $2.50 subsidized by the institution $7.50 charged to the user
External Users	$10 charged to the user

Source: National Cancer Institute document, “NCI Grants Management Update”