

Policies and Procedures

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OMB Circular A-21 Cost Principles for Educational Institutions.

Determination of Direct and Indirect Cost

Direct Costs - Directly Charged to Grant
specific costs to the project

Indirect Cost - Facilities and Administration
F & A

Indirect Costs (not allowable as direct charge)
Becomes part of F&A % charged to grant

Examples:

Labor > secretaries, mechanics, farm workers, managers

Utilities, insurance, vehicle expense

Equipment Purchase

Computers

Office supplies, mail, software

Classify your cost center:

1. Is your cost center a direct pass through for expenses?
If yes, classify as Revolving.
If no, go to number 2.
2. Are you charging for goods or services?
If yes, go to number 3.
If no, where does revenue come from?
Classify as student fees, contracts/donations or indirect funds.
3. Who are you charging?
If grants, UNL departments and related parties,
classify as a Service Center.

If outside parties, classify as Auxiliary.

Service Centers

Provide service primarily within and to internal departments

Must charge every user same rate

Must be breakeven enterprise

Rates adjusted at least annually

No fund transfers in and out (revolving or auxiliary)

Expenses and Revenue Only

Equipment over \$5000 is not an expense

Must capitalize and create depreciation expense

Separate fund for equipment purchases

(see example)

Agronomy Research Farms (ARDC and Lincoln)

Revenue – Expenses = Net Gain or Loss
Divided by Charge Units = \$ Rate per unit

\$100,000 - \$115,000 = (\$15,000)
(\$15,000/100 acre = \$150 per acre per
project service charge

\$150/acre dryland \$180/acre irrigated

Agronomy Research Farms (ARDC and Lincoln)

\$150/acre dryland \$180/acre irrigated

Per Acre Fee covers Base Crop Production Practices
Additional charges at cost for seed, pesticides, fertilizer

Additional Charges for Equipment

Tractor	85hp	\$20/hr
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Tractor	175hp	\$38/hr
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UNL ARDC Facilities Operations Service Center Rate Calculation

	<u>Amount</u>
<u>Expected Personnel Expenses</u>	
Salary - Student Help	7,000
Comp Time / Overtime	3,100
Benefits	800
<u>Operating Costs</u>	
Communications	3,200
Insurance, Vehicle & Building	3,500
Training & Travel	2,500
Software	600
Vehicle repair / Equipment Repair	9,000
Misc. Expenses	33,500
Copies	525
Communication Equipment	900
Construction & Maintenance Supplies	9,500
Ag, Constr., and Shop equipment Repair Parts	8,000
Equipment (<\$5000)	5,000
Computers	3,000
Fees	650
Fuel & Gas	15,000
<i>Total Operating Expenses:</i>	105,775

Depreciation (based on SAP Fixed Asset Listing)

	Purchase Price	Useful Life	Depreciation/ year
Asset #33627800 Kubota HQ Riding Mower, 2009	15,550	10	1,550
Asset #33307100 Trimble MS750, 2004	22,286	5	368
Asset #33441100 Bobcat Skidloader S250, 2006	16,210	10	1,621
Asset #33369600 2006 Ford 3/4T Pickup, 2006	24,734	3	4,121
Asset #33474500 2008 Ford 3/4T Pickup, 2007	25,473	3	8,491
Asset #33420300 John Deere 1445 II FM Mower, 2006	15,048	10	1,505
Asset #33428800 John Deere 310SG Backhoe	66,061	10	6,607
Other			
Roof Replacement LL2-9, 2006 (incl. 309 funds)	64,000	30	2,133
Bobcat Grapple Bucket, 2008	2,550	3	850
Bobcat Trencher Attachment, 2009	7,750	10	775
Total Depreciation:			<u>28,021</u>
Subtract: Balance carried forward			(30,775)
Subtotal Chargable Items			103,021
Subtract: Equipment Rental charged to Units			18,000
Usage Base: Expected Hours			<u>6,800</u>
Service Center Rate			<u>12.50</u> /hour

Service Center Issues

Equipment Purchases

Can only be from Depreciation Account
Depreciation Account funded only
from the parent depreciation expense

Does not account for inflation and upgrades

Fast depreciation schedule results in Zero Value
and therefore no remaining depreciation expense
to charge project for use

Depreciation Rate

Pickup Truck 3 years \$30,000

\$10,000 annual depreciation expense

5000 miles/yr = \$2.00/mile

Year 4 = No Charge \$0.00/mile

ARDC Farm Operations Service Center Rates

Grant and Non Grant Users Must Use Same Rate

ARDC Custom and Rental Rates

(July 2011)

Trucks

Grain Truck 69A*/186A* /105A* /214A*	\$1.70/mi
Trucks (other)	1.50/mi
1 Ton Flatbed PU, 124A	0.80/mi

**These trucks are rented only with an ARDC operator as available. Fee includes fuel; labor additional*

Vehicle Mileage

Cars-Pickups	typical	\$.55/mi
(UNL travel reimbursement rate-variable)		
<i>Bus (driver labor + fuel)</i>		

Tractors

JD4000	\$11.00/hr
JD5410	11.00/hr
JD6410	13.00/hr
JD7410/20	16.00/hr
JD4440	17.00/hr
JD7810/20/30	19.50/hr

Harvest

Combine, custom	\$26.00/ac
Grain Cart, tractor and labor, custom	7.50/ac
Grain Cart only	0.02/bu
Grain trucking, onsite, custom	0.08/bu
Auger	0.025/bu
Swath and Bale, custom	14.50/bale
Baling, custom	8.50/bale
Swathing, custom	10.50/ac
Swathing, custom	76.00/hr
Haul Bale, local, custom	4.25/bale
Rake Hay, custom	4.50/ac
Silage Bunker/Bagging Service	1.80/ton
Silage Chop (as is), custom	6.75/ton

Other

Mower 15' w/tractor, rent	\$ 30.22/hr
Mower 7' w/tractor, rent	26.72/hr
Mowing, custom	62.70/hr
Cultivator, rent	3.00/ac
Disk, rent	5.00/ac

Heavy Equipment (labor additional)

Cat 916 Payloader*	\$34.00/hr
Dozer*	45.00/hr
Excavator*	40.00/hr
Dirt Scraper w/ Tractor*	39.50/hr

Facility Items (labor overhead additional)

Backhoe*	\$34.00/hr
Bobcat	24.00/hr
Grader* (plus fuel)	\$35.00/hr
Dump truck 278A	1.50/mi
Snowblower* (plus fuel)	33.00/hr
Air compressor (plus fuel)	50.00/day
Landscape mower	13.00/hr
Kohler Generator (plus fuel)	20.00/hr

*Rented only with an ARDC operator.

Fee includes fuel unless otherwise noted.

Farm services labor rate: \$24.92/hr

Facilities service rate: \$11.50/hr

Disk, Custom	9.50/ac
Dry Fertilize Spreading, custom	3.50/ac
NH ₃ Application, custom	12.50/ac
UAN Application, DMI Coulter	9.50/ac
Field Cultivator, Custom	8.00/ac
Field Cultivator, Rent	4.00/ac
Grain drill, Rent	5.00/ac
Planting, custom	10.50/ac
Rotary hoe, rent	3.00/ac
Spraying, fields, custom	4.25/ac
Spraying, pasture, custom	5.25/ac
Stalk shredder, custom	9.00/ac

Equipment will leave full of fuel and be brought back full of fuel – departments must pay for any fuel used when renting equipment.

Any Equipment damage above normal wear and tear is the responsibility of the renting department over and above these charges.

Terms:

Truck and Vehicle subject to 30 mile minimum charge.

Unless otherwise noted (custom) rates do not include labor or fuel.

Services for research plot or irregular areas may be charged at hourly rates in lieu of flat rate.

Equipment only rented to user with qualified operator and subject to ARDC supervisor discretion.