

<b>SUBJECT:</b> Facilities & Safety Billed Services	<b>Effective Date:</b> 3/31/21	<b>Policy Number:</b> FSP 2021 FS0021	
	<b>Supersedes:</b>	<b>Page</b> 1	<b>Of</b> 3
	<b>Responsible Authority:</b> Associate Vice President, Administration and Finance (Facilities & Safety)		

**APPLICABILITY/ACCOUNTABILITY:**

This policy applies to all university departments and units, including in Educational and General, Auxiliaries, Contracts and Grants, and Direct Service Organizations.

**DEFINITIONS:**

**Auxiliaries.** Auxiliaries are those activities not instructional in nature, which support university operations (i.e. Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, Bookstore, etc.). Auxiliaries generate revenue from the sale of goods and services to the university community. Some auxiliaries are funded by student fees.

**Budget Entities.** A classification system of funding sources (i.e. E&G, AUX, C&G, DSO, etc.).

**Burdened Composite Rate.** The average cost of employees within a work unit (i.e. housekeeping, maintenance, etc.), including management and support positions.

**Burdened Rate.** The total cost of an employee’s salary and associated benefits, including vacation, sick time, life insurance, disability, retirement, FICA, and Social Security.

**Computerized Maintenance Management System (CMMS):** Software to centralize maintenance information and facilitate the process of maintenance operations.

**Contracts and Grants (C&G).** Sponsored research activities that are funded by federal, state, and private agencies. These funds are restricted for research activities and related administrative support.

**Direct Service Organizations (DSO).** Subsidiary corporations of the university, certified by the Board of Trustees to support the mission and goals of the university.

**Educational and General (E&G).** Funds comprising state appropriations from general revenue (primarily Florida’s Sales Tax) and Educational Enhancement Trust Fund (lottery sales), as well as funds from student tuition and other fees. These funds are restricted for instructional research, public service activities and related administrative support.

**Enterprise Resource Planning (ERP):** Software to manage day-to-day business activities such as accounting, procurement, project management, risk management and compliance, and supply chain operations.

**POLICY:**

The State of Florida allocates Plant Operation and Maintenance (PO&M) funding for maintenance and utilities of E&G buildings. Services provided to E&G entities other than maintenance and utilities, and all services provided to non-E&G entities, are chargeable, based on Facilities & Safety's (F&S) current billable rates.

Non-E&G entities that create additional loads on critical infrastructure systems shall pay for any required additional infrastructure, and for all subsequent operational and maintenance costs throughout the assets' useful life-cycle.

F&S will charge fair and accurate labor rates, and will publish the current rates on the F&S website. Labor rates (Burdened Composite Rates) will include the direct cost for the work performed and the associated overhead costs for indirect labor. A Burdened Composite Rate will be calculated for each functional work unit in order to bill and recover costs accurately.

F&S will calculate and publish labor rates biannually, or within 30 days of an across-the-board pay increase. The methodology for rate calculation has been verified by University Audit.

**PROCEDURE:**

1. F&S will request the ERP Cost Center reports from F&S Human Resources to calculate the Burdened Composite Rate, as follows:

$$A + (D/(C*B)) + ((E*F) / (C*B))$$

A= The employee average hourly rate for the work unit

B= Annual billable hours

C= Total number of employees in the work unit

D= The sum of the indirect burdened cost

(Note: a direct overhead is a Supervisor, Coordinator, Manager, or a role supporting the work unit 100% of their time.)

E= The sum of the shared overhead burdened cost

(Note: a shared overhead may be a Director, Associate Director, or support function.)

F= The percentage that the shared overhead supports the work unit (as a decimal)


2. F&S will submit the Burdened Composite Rates to University Audit for verification. Upon verification, the rates will be published on F&S website and loaded into the CMMS.

**RELATED INFORMATION:**

F&S Billing and Labor Rates: <https://fo.ucf.edu/labor-rates/>

Florida State Statute 255.2575, Operations and Intent:

[http://www.leg.state.fl.us/Statutes/index.cfm?App\\_mode=Display\\_Statute&URL=0200-0299/0255/Sections/0255.2575.html](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0200-0299/0255/Sections/0255.2575.html)

Approved By:	Date Approved:
	3/31/21
<hr/>	
Duane T. Siemen Interim Associate Vice President Administration and Finance Facilities and Safety	