

Rate Review Checklist: Completing the Rate Calculation

Service Centers need to provide certain details at a minimum for each of their service rate calculations for the System Government Costing committee to have what it needs to perform a high-level review. Below is a list of typical items that must be addressed as part of any service rate calculation and review process. Based on the detail provided below, there could still be additional questions and requests.

Step	Task
1.	A reconciliation of non-personnel and personnel expenditures included in the rate calculation to Banner financial statements for the applicable base fiscal year for the service fund.
2.	A summary of service fund revenue by account code for base fiscal year.
3.	Actual expenses (for base fiscal year) by account code and account name in total and by line of service (program and/or activity code).
4.	Identification and removal of any unallowable expenses (food, bad debt, etc.), capitalized costs, interest, contingency costs, unrelated costs, etc. from rate calculation and fund.
5.	Explanations and support for any projected non-personnel expenses (Note: Only significant non-personnel expense changes are to be included).
6.	Actual salaries (for base fiscal year) by individual, salary increases included by person, percent of time spent on each line of service.
7.	Salaries included by position for new staff to be hired in the immediate future or salaries excluded for terminated staff (for each line of service).
8.	Explanations and examples of any allocation methodologies for non-personnel and personnel expenditures.
9.	Explanations for transfers, subsidies, plant funds, unrelated activity, extraordinary expenses, base units, etc.
10.	Fixed Assets: <ul style="list-style-type: none"> • Reconciliation to Banner Fixed Assets • Actual depreciation by line of service • Explanations of any allocation methodologies used for depreciation • Explanations and justification if Banner assigned fixed asset useful lives were not used (Note: This is not typically allowed and must be approved by System Government Costing) • Demonstrate all depreciation included in rate calculation was either purchased on 3E fund or if purchased on non-3E funds that asset has been assigned the proper entity code so that assets can be included in rate calculations

11.	Calculations of Over/Under Recoveries: <ul style="list-style-type: none">• Using service cumulative actual fund balance as a starting point• Calculation of adjusted fund balance for service fund• Calculation of 60 day working capital allowance limitation• Calculation of over/under recovery for service fund (Note: 60 day working capital allowance only applies to over-recoveries)• Allocation of service fund's over/under recovery to lines of service based on net income by line of service• Inclusion of over/under recoveries in rate calculation by line of service, if applicable
12.	Actual Base Units (for base fiscal year): <ul style="list-style-type: none">• Description and understanding of base units used in rate calculations• Summary or detail of base units including examples of base units (i.e. screen shots, AIM report, etc.)• Any adjustments made to base units including explanations