



University of California  
San Francisco

## Budget & Resource Management

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**To:** Jim Kiriakis, Director; Susan Lin, Assistant Controller, Marge O'Halloran, Director;  
John Radkowski, Director  
**From:** Nilo Mia, Director  
**Date:** July 1, 2013  
**Re:** Operating Guidance Memo – ITS Field Service Direct Charges on All Sponsored Awards

Beginning July 1, 2013, the ITS Field Services unit will initiate on a prospective basis to direct bill (recharge) sponsored funding sources including Federal and non-Federal awards for Computing and Communication Device Support Services. Computing and Communication Device Support Services includes software installation and updates, internet security, hardware configuration and setup, and backup and maintenance of central servers and are an integral component of data and voice network services. Due to budget constraints, UCSF will not be able to maintain general fund subsidy of these services.

### OMB A-21 Compliance

Computing and Communication Device Support Services costs are treated by UCSF as direct service center costs and have been subsidized by university general funds. These subsidies have not been included in the F&A rate administrative cost pools and any immaterial amounts have been excluded from the F&A rate due to the 26% administrative cap. These support services in conjunction with data and voice network services are covered under Part 3.2.0, Service Centers, Communication Services, of UCSF's currently approved DS-2, Disclosure Statement.

Additionally, we performed an analysis of our most recent F&A Rate Proposal and confirmed that the costs for this service center were not included in our approved predetermined F&A rates for fiscal years 2013 through 2016 verifying that the prospective direct billing of these costs will not result in duplicate reimbursement from the Federal government or other non-Federal sponsoring agencies. Direct billing will also ensure their consistent treatment as direct costs to all sponsored awards.

### Background

Consistent with Department of Health and Human Services, Division of Cost Allocation (DHHS-DCA) approval, UCSF charges federal and non-federal awards for the operating and maintenance costs of data network and voice services through recharge rates. However, the costs of support services for devices such as desktop and laptop computers, smart phones, and tablets to maintain connectivity to the data and voice networks have not previously been direct billed to Federal and non-federal awards. Rather, the costs of this service center are recharged to university departments and costs supporting other users (e.g., federal awards and non-federal) have been absorbed by the university.

Recharge rates for these services will be based on a rate per FTE consistent with the current billing rates for data and voice network services. The recharge rates will be computed in accordance with the requirements of 2 CFR Part 220 (OMB Circular A-21) and will be reviewed and adjusted annually.

*Nilo E. Mia*