

5. UNH Policy on Internal Fees

Many UNH departments provide services and/or use of space to other UNH departments. The provision of internal services, and the fact that charges may be levied for such services, is appropriate to promote the judicious application of UNH resources. This policy is intended to govern fees charged primarily to internal users where the internal user has no input on the rate being charged.

Application

This policy does not apply to:

- Fees paid by students
- UNH departments with a customer base that is predominantly external. (External users are defined as any entity or person whose financial operations are not recorded in USNH financial records.) In these cases, fee-for-service rates are set considering relevant external industry standards, and may or may not apply those rates to internal departments. (An example is the Whittemore Center Arena).
- Agreements negotiated between parties. For example, Department A negotiates with Department B to provide services for a fee of \$1,000.
- Internal RCM allocations (facilities allocation based on NSF and assessments) which go through a separate Central Budget Committee approval process. For more information on RCM allocation approvals please see <http://www.unh.edu/budget/cbcindex.htm>

Approval Process

The VPFA Office will provide deadlines, forms and policies on internal fees on its website. By March 15 of each year, RC units must submit a complete internal fee inventory to the VPFA Office with the following format and information:

Name of Fee	Responsible Dept.	Description of fee	Reason/Justification for Fee	Basis of Charge (e.g. per hour, per sheet, etc.)	Current Rate	Proposed Rate (effective 7/1/CY)	% Change

Coordination of the internal fee inventory for each RC unit will be the responsibility of the BSC Director. No internal fee inventory should be sent to the VPFA Office

without BSC Director review and approval.

Existing fees that do not increase above normal inflationary levels will be subject to the approval of the VPFA Office. The index used for the inventory update will be posted on the VPFA for each year. Existing fees with proposed increases above inflationary levels or new fees must be submitted to the VPFA Office and accompanied by a rationale for the proposal. The VPFA Office will transmit the proposals to the Central Budget Committee for review and approval. The VPFA Office will communicate with each RC unit about the approval status of all fees submitted. Inflation based on increases in the Higher Education Price Index - http://www.commonfund.org/Commonfund/CF+Institute/CI_About_HEPI.htm

Reporting and Accountability

Once fees are approved, the VPFA Office will record the fee in an “UNH Internal Fee Inventory” which will be posted on the Budgeting and Financial Planning Website of the VPFA Office <http://www.unh.edu/budget>. The fee inventory will serve as the official record of internal fees and will be used as the primary tool to hold units accountable.

Fee Development

UNH departments providing specific technical or operational services:
UNH departments with a primary purpose of providing, for a fee, specific technical or operational services primarily to internal users, are considered Service Centers. (Examples include Telecommunications, Printing Services, University Instrumentation Center and Mail Services.) Service Centers are governed by Procedure 2-070, Creating a New Service Center; and Procedure 2-071, Establishing a Service Center Billing Rate, both of which can be found in USNH Financial and Administrative Procedures, prepared by the USNH Controller’s Office http://www.finadmin.unh.edu/pol_proc/chapter_02/toc_02.html.

Recharge Centers

Recharge Centers may also be found within departments. Recharge Centers reallocate materials costs (excluding salaries and wages) within a department or a limited area of accounts by simply recouping costs related to a particular activity. (An example is a copier shared by more than one department.) Recharge Centers are governed by Procedure 2-072, Creating a New Recharge Center, and Procedure 2-073, Establishing a Recharge Center Rate http://www.finadmin.unh.edu/pol_proc/chapter_02/toc_02.html.

Other UNH departments providing various services:

For UNH departments with a primary purpose of teaching, research, public service, advancement, student services, or general administration supporting those activities, units should determine the incremental costs (labor, supplies, renewal and replacement, and overhead) of providing the goods or services to internal users. A rate should only be charged when:

1. The providing unit will incur material incremental costs as a result of providing the service. This is subject to interpretation by the RC unit but a guideline that can be used is that in order for a cost to be considered material, it must be greater than \$50 over the course of a year.
2. The service is available to more than one unit. Service with one unit should be negotiated via a memorandum of understanding (MOU). A copy of each MOU should be sent to the VPFA Office for review and recording. Rates should be developed by the responsible Business Service Center (BSC) based on input by the department and approved by the BSC Director and RC Unit head prior to submission to the VPFA Office.