GUIDELINES FOR ESTABLISHING CENTER/CORE FACILITY BUDGETS & COST STUDIES

STEP 1 – BUSINESS PLAN
A business plan is a crucial element in the development of a new cost study. In the course of preparing your business plan you will (a) identify your user base, (b) delineate how your core will operate in terms of services offered, (c) determine the administrative and technical structure of your core and outline roles and responsibilities, (d) examine the role of the core in relationship to University and regional needs, and (e) create a long-term budget strategy.

Developing a business plan is a crucial first step in launching a new core. The information regarding projected expenses, usage, and revenue will be used in the cost study. Upon request, Sheila will provide you with an outline that may be used as a template for developing your plan.

STEP 2 – BUDGET
Core facility budgets are composed of multiple elements: revenue sources such as recharge activity, sponsored projects, and support from central or departmental administration. Expenditures can vary broadly, encompassing personnel, equipment acquisitions, repair, maintenance and replacement, supplies, travel, etc. The budget stands separate from the cost study which focuses only upon the revenue and expenses associated with the recharge account (160 chart string). Centers with core facilities will submit an Annual Report and Budget to the Office for Research (usually in mid-January) and a separate report on Core Facility activities and budget (usually April 1st).

An operating budget template is available to help you identify costs and plan your budget.

STEP 3 – COST STUDY
The Cost Studies Recharge Template is used to calculate recharge rates. Cost studies are submitted when a new core is established. They are updated annually for all existing recharge centers (usually in August).

The process for completing a cost study involves:
- Estimating the core’s expenses and # of users to determine the calculated (cost-based) rates.
- Determining prices to charge NU and external customers.

We will help you with information that may be difficult to find or align with specific service lines. We will also work with you to revise the cost study, as needed, until we have a version that meets your needs related to rates and projected usage and expenses. The following information is needed to complete a cost study:

General Information
- Name of recharge center.
- Estimated start date for recharge activities.
- Name of each service line that will be offered.
- Product measure for each service line (for example, in hours, units, runs, etc.).

Staff and Effort Information
- Name and title of each faculty member, research appointment, and employee whose effort will be charged to the recharge center.
- For each person, estimated total non-service hours (non-service hours include time spent attending conferences, facility management, and working with the billing system).
- For each person, estimated percent effort that will be charged, in total, to the recharge center.
- For each person, estimated percent effort that will be charged to each service line (some service lines may have 0% person effort).
Non-Labor Expenses
Estimated expenses for each service line (some expenses may be evenly distributed across all service lines). Expenses include:

- Equipment <$5K
- Service agreements for non-capital equipment (including the annual renewal dates)
- Supplies
- Services
- Repair expenses
- Printing costs (including brochures and posters)
- Website design
- Travel
- FOM programming (Shuyou Li can design custom reports for $53.40/hr)

Capital Equipment Expenses
Information is needed for capital equipment (> $5K) used to provide the services/products. For each instrument, the following information is needed:

- Name of instrument
- NU inventory tag number (if available)
- Manufacturer
- Purchase date
- Original chart string on which purchase was made
- Total amount of purchase (excluding non-capital equipment expenses that may have been on the same purchase order)
- Amount of purchase supported by a sponsored award, federal and non-federal
- Estimated life (in years)
- Annual contract expense for service agreements (including the contract renewal dates)

Rates and Projected Utilization

- Estimated number of internal NU “sales” (for example, in hours, units, runs, etc.) for each service line.
- Estimated number of external “sales” (for example, in hours, units, runs, etc.) for each service line.
- Preferred billing rate for internal NU users for each service line.
- Preferred billing rate for external users for each service line.

STEP 4 – ADDITIONAL INFORMATION

- Communications – “Get the word out” about the new Core through the following mechanisms:
  - CLP Website – Add the recharge center’s content, including available services and approved rates, to the CLP website.
  - Emails blasts through departmental, Center and CLP listservs
  - Office for Research Core Facilities Website – List the core on the Core Facilities website
  - Office for Research Publications – Supply content for articles
- FOM – FOM is the current scheduling and billing system used by CLP recharge centers. Contact Shu-You Li (syl@northwestern.edu) to learn how to set up the approved rates and products/services and maintain the recharge center’s information in FOM. Distribute the Core Facility User form to all new users.