

# Managing IFR Accounts & Service Center Rates/Fees

Presented by the Accounting Office

# Topics

- Defining IFR accounts
- General IFR Guidelines:
  - Fringe Benefits, Admin Overhead, Allocations, Accruals, Deficits, etc.
- IFR Deposits
- IFR Allocations
- When an IFR account should be used
- How to open an IFR account

# Topics

- Service Center Rates/Fees
- Conference/Event Fees
- Academic Course Fees
- What reports are available
- Contacts
- Questions

# What are IFR accounts?

- Income Fund Reimbursable account
- Self-supporting accounts that support activities related to the campus' missions
- Revenue/Income is directly related to the nature of expenditures
- Cash balances are carried forward from one fiscal year to another
- Incurs additional charges -
  - Fringe Benefits
  - Administrative Overhead

# General IFR Guidelines

- IFR accounts should have one purpose and one revenue source
  - ▶ If multiple purposes, need separate IFR accounts
- Need to budget for Fringe Benefit and Administrative Overhead charges

# General IFR Guidelines

## Fringe Benefit & Administration Overhead Rates

- The Office of the State Comptroller (OSC) and the Division of Budget analyze the actual fringe benefit costs on an annual basis
- After the rate is computed, OSC notifies all state agencies of the rate specific to a fiscal year and agency

	<u>Fiscal Year 22/23</u>	<u>Fiscal Year 23/24</u>
State Fringe Benefit	63.95%	67.05%
Federal Fringe Benefit	63.72%	64.45%
Overhead Assessments	15.00%	15.00%

# General IFR Guidelines

- The **Fringe Benefit** rate is assessed on salary expenses (PSR)
- The **IFR Administration Overhead** assessment is charged on the revenue.
  - As revenue is deposited to your account, the assessment is charged. The charge is a direct reduction to your account's cash balance. It **DOES NOT** affect your account's allocation
- Administration Overhead rate = 15%

# General IFR Guidelines

## Examples:

- IFR account will need \$50,115 in revenue to cover \$30,000 in Personnel Service (PSR):

\$30,000 PSR

\$20,115 Fringe Benefits —————  $\$30,000 \times 67.05\%$

\$50,115 Total Budgeted

- \$10,000 deposit (revenue) will be assessed 15% AOH

\$ 1,500 in Administrative Overhead —————  $\$10,000 \times 15\% \text{ AOH}$

# General IFR Guidelines

## Key Points of Stony Brook's IFR Deficit Policy:

- IFR accounts should maintain positive accrued cash balances. The expenses charged to an IFR account should be covered by the revenue which that account takes in (self-supporting)
- Twice a year (in Jan and July) you will be required to provide IFR Accrual Data for Dec and June in CBM. You will be asked for your accruals (AR, Inventory, Liabilities, Equipment) as of Dec or June
- After review and approval by the VP Offices, Budget and Accounting meet to review your accrual statements for reasonableness
- IFR accounts which develop cash deficits as of 6/30 will have one year to eliminate that deficit. If the deficit is not eliminated in that year the Budget Office may reduce that VP area's state allocation

# IFR Deposits

All deposits are made at the campus Bursar's office.

- Bursar summarizes the deposits on the 15<sup>th</sup> and 31<sup>st</sup>

To view deposits in your IFR account:

- SBU Reporting
- For details on a specific deposit, contact Bursar with the transaction number

# IFR Allocation

- It is the allocation balance in your account which allows you to spend funds, NOT the cash balance in the account
- Your account may have plenty of cash, yet Procurement is unable to process an order
- When Procurement processes a purchase order, they make an encumbrance against your account's *allocation*, NOT your cash
- When requesting your account's initial allocation, your request should be based on anticipated annual revenue and expenditures. If necessary, additional allocation may be requested through your VP coordinator

# IFR Allocation

Always keep in mind...

You need allocation in order to spend cash,  
and you need cash in order for your allocation to be granted

# IFR Allocation

## Unspent Allocation

- Unlike State Purpose funds, cash in your IFR accounts do not lapse
- Although the allocation is unspent, the cash balance in IFR accounts rolls forward
- The cash balance is one of the factors used to determine the account allocation for the following year

# IFR Allocation

## Unspent Allocation

- You may notice that unspent allocation was removed from your account
  - When IFR allocation is in short supply and projections indicate that you will not require all of your requested allocation, some may be transferred to other accounts that are short at the VP coordinator's discretion. This does not mean that your money has been taken; your cash balance is unaffected
- Should you need to request **additional allocation**, you will need to have the cash to backup the request. Contact your Dean or VP Office.

# When to Use an IFR Account

An IFR account should be used whenever the activity is state funded. All activity should go through an IFR unless there is an approved exception as stated below.

- **SBF (Stony Brook Foundation) account**
  - Use only when the revenue is from gifts or contributions
- **FSA (Faculty Student Association) account**
  - Benefit of individual students, faculty or staff members or appropriately recognized organizations
- **RF S&F (Research Foundation Service & Facility) account**
  - Use when there is an employee paid with Research funds

# How to Open an IFR Account

- Contact your VP coordinator
  - Determine what the account is to be used for.
  - Complete IFR Account Request Form & IFR Allocation Worksheet ([from Accounting website](#))
  - Projected Revenue and Expenses
- Upon VP approval (and Dean/Chair approval if academic dept), the VP coordinator will submit the request to Accounting for processing
- Accounting will inform you and all interested parties once the account has been created

# Service Centers Fees/Rates

Departments may charge user fees (aka Rates) for the purpose of recharging expenses associated with a service being offered

If the IFR account will be for a service where you will be charging a user fee, there are additional steps involving completion of a rate worksheet to determine the rate to be charged

- Rates are billed/invoiced to internal departments or third parties (external users)
- Service units must have clear bookkeeping records (invoicing, collections, usage logs, etc) for audit purposes
- Contact Dean's office/VP Coordinator for guidance and rate approval to charge internal and external users
- Approvals are required from service center's Dean/Chair, VP area, and Accounting
- All Service Center rates MUST be approved by the University Controller PRIOR to charging the users. This is SUNY policy!

# Service Centers Fees/Rates

Complete the [rate worksheet](#) showing:

- Projected annual expenses to operate the service:
  - Personnel Costs & Fringe Benefits
  - Direct Supplies & Contracts
  - Equipment Costs
- Projected annual unit of service (i.e. annual hours, annual # of analyses/tests, etc)
- Balance Sheet is to completed on an accrued basis as of a recent Month-End - This shows the financial condition of the service

# Service Centers Fees/Rates

- Service units should contact their Deans office business personnel for guidance in completing the rate worksheet
- The VP Coordinator will submit the new account forms and rate worksheet to Accounting to create the IFR account to house the fee revenue and related costs
- Accounting will review and submit the proposed rate request to the University Controller for final approval and submit the request to the SUNY System Administration to create the IFR account
- Upon final approval, Accounting will inform you of the new account number and effective date to begin charging the internal and external rates to users

# Service Centers Fees/Rates

## Regulations

- New Service Center rates - reviewed after one year
- Existing rates - reviewed every two years
  - Exceptions - large increase or decrease in rates or usage, reviewed in one year
- Interim review upon request
- All Service Center user fees must be approved by the University Controller prior to charging the users

# Service Centers Fees/Rates

## Regulations (cont'd)

- Internal users should only be charged for the cost of the service/product (breakeven)
- Per SUNY fee guidelines, we cannot make a profit on internal users
- External users can be charged any fee in excess of the approved minimum external fee (internal fee plus overhead). Encouraged to be competitive but should not undercut rates offered in the market

# Service Centers Fees/Rates

## Regulations (cont'd)

The Account Director must keep a log of all activity of the service center IFR account (including expenses, P.O.s, annual usage and surplus)

Information in the logs may be required during the campus rate review process

If there is revenue from external users, a log must be kept for Excess Revenue from External sources

- Surplus = Revenue collected in excess of the minimum external rate
  - Minimum External rate = Internal rate plus AOH (Breakeven point)

Refer to Service Center Guidelines in the [Accounting Website](#)

# Other Types of Fees

[Conferences & Events Fees](#)

[Academic Course Fees](#)

# Reports Available

- ▶ [SUNY BI](#)
- ▶ [SBU Reporting](#)

# Web Links

For valuable information regarding Accounting Services, refer to our website: [www.stonybrook.edu/accounting/](http://www.stonybrook.edu/accounting/)

- ▶ IFR Accounting (Manual, Expense Journal Transfers, Payroll Transfers, Allocation Worksheets, Account set up form, Rate Worksheets, Contacts, etc.)
- ▶ Allocation and Expenditure Object codes
- ▶ State Transfer Templates
- ▶ FAQ

# Accounting Office Contacts

Accounting Office      2-6040

Sara Lehmann, Director of Accounting & Financial Management  
Guneeta Jaspal, Manager of State Expenditures

## Expenditure Team Contacts:

Andrew Glascodine  
Brian Lellis  
Erica Manfredi  
Jhovanna Erazo  
Libya Williams  
Lolita Sung  
Wendy Ciaravino

# Guide to Problem Resolution

BUDGET	2-6090	ALLOCATIONS - FORM 1 ALLOCATIONS - INTERCHANGE BUDGET INQUIRIES
ACCOUNTING	2-6040	JOURNAL ENTRIES ALLOCATION CHANGES
PROCUREMENT	2-6010	REQUISITIONS, PURCHASE ORDERS VOUCHERS VENDOR CALLS
BURSAR	2-9316	CASH RECEIPT INQUIRIES (IFR COLLECTION ANALYSIS)
PAYROLL	2-6180	WAGES, OVERTIME, STANDBY AND LOCATION PAY
HR	2-6140	APPOINTMENT DISCREPANCIES

# Thank You!

