ITS Rate Change Policies

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1. Policies
Information Technology Services (ITS) follows all university policies and procedures when setting or changing any rates for services offered to students, faculty, staff, or campus departments. All rates are based on a cost recovery model.

The university does not allow automatic rate increases. The Office of Accounting and University Budget Council must review and approve any new rates or rate changes for services. ITS submits a completed Service Center Request Multi-Rate Form to the Office of Accounting for any proposed new or changed rates.

The form requires that ITS calculate and provide the following information when proposing a rate:

- A list of each proposed rate name and amount, along with a summary of the service or product that ITS will provide as part of the rate.
- Reasons why rate changes are necessary, including descriptions of any efforts to streamline or reduce expenses in order to avoid rate increases.
- Reasons why the university would benefit from the proposed product or service.
- Reasons why ITS is the most cost-effective way of providing the service, including any alternate methods also evaluated, and whether the services are available from an external vendor or another campus department at a lower cost.
- Reasons why the services are necessary, the expected demand for the service, and the campus communities to which the service will be offered.
- If ITS plans to offer the services to off-campus groups, the form also requires a description about the availability of the service off-campus, how it furthers the university's mission, and how it helps students and/or researchers. However, ITS rarely offers services to non-university groups.

ITS must also include information about the expenses and income estimates used to set the rate. Every cost associated with a service must be included on the form, and must be borne by the service. Expense and income estimates include the following:
1.1. Direct labor costs
The university does not calculate labor costs for a full-time employee by simply listing the hourly wages or salary the employee receives. A full-time employee does not spend every hour at work on a billable project, but must attend team meetings, participate in training, and have paid leave. Rates must be based on the real number of hours that an employee is available to work on a service. The university employs full-time employees for approximately 2,080 work hours a year, but may consider 1,500 or even fewer hours as billable when estimating labor costs for a rate. ITS must also factor in the cost of benefits, because ITS funds all employee benefits for its staff.

1.2. Indirect labor costs
When costs include an employee's time, they also need to include a portion of the supervisor's time.

1.3. Equipment depreciation/replacement
ITS must budget funds to replace any items used as part of a service. To estimate costs, ITS determines how long similar items have lasted in the past, estimates how long the manufacturer will support the item, and determines how long it can work accurately and securely.

1.4. Other expenses
Hardware and software, consumables, and other owning and operating costs. For example, Student Microcomputing Facility (SMF) lab expenses include part of the cost of guards and cleaning services for the building. An example of consumables would be paper and toner used as part of a printing service.

1.5. Income by customer
ITS must estimate who will use the service and what percentage of income each user group will generate.
university offers must be based on a business need that benefits the university. As a general rule, ITS will not offer services to groups outside of campus unless the service agreement provides a direct relationship with and benefit to the university.

For more information about the process of setting and changing rates at the university, refer to the Service Center Request Forms on the Office of Accounting’s [Forms page](#).

### 2. Revision History

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### 3. Approvals

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<td>[Select one and remove the rest] Authoring Input Endorsement Approval</td>
<td>[List members of the committee if a standing body] List members and affiliation.</td>
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