





ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

Did you know that Connect ACUA allows you to post new messages directly from your email without logging in to the Connect ACUA website?

For more details, check out the Quick Tip post on

[Connect.ACUA.org](https://connect.acua.org)

Your Higher Education Auditing Connection



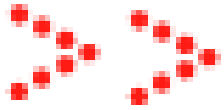
Use a Kick Starter to launch your next audit!

ACUA Kick Starters

- Developed by ACUA members (Subject Matter Experts)
 - Higher Education Specific Topics

www.ACUA.org → Resources → Audit Tools → ACUA Kick Starters

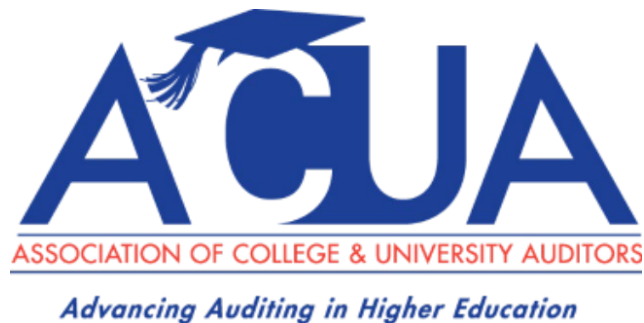
Do you have a great idea for an ACUA Kick Starter?
Contact Justin Noble at Justin.Noble@ttu.edu

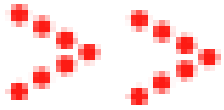


New Kick Starter Available!

Misappropriation of Assets

Download today in the members-only section of www.ACUA.org





Coming Soon!

A new ACUA Kick Starter

An ACUA Kick Starter on Cash Collections is scheduled for release April 15.



stay tuned at
www.ACUA.org



Stay up to Date

- The College and University Auditor is ACUA's official journal. Current and past issues are posted on the ACUA website.
- News relevant to Higher Ed internal audit is posted on the front page. Articles are also archived for your reference under the Resources/ACUA News.

Connect with us



www.ACUA.org

Connect with Colleagues

- Subscribe to one or more Forums on the Connect ACUA to obtain feedback and share your insights on topics of concern to higher education internal auditors.
- Search the Membership Directory to connect with your peers.
- Share, Like, Tweet & Connect on social media.

Get Involved

- The latest Volunteer openings are posted on the front page of the website.
- Visit the listing of Committee Chairs to learn about the various areas where you might participate.
- Nominate one of your colleagues for an ACUA annual award.
- Submit a conference proposal.
- Present a webinar.
- Write an article for the C&U Auditor.
- Become a Mentor.
- Write a Kick Starter.

Solve Problems

- Discounts and special offers from ACUA's Strategic Partners
- Utilize Kick Starters
- Risk Dictionary
- Mentorship program
- NCAA Guides
- Resource Library
- Internal Audit Awareness Tool
- Governmental Affairs Updates
- Survey Results
- Career Center.....and much more.

Get Educated

- Take advantage of the several FREE webinars held throughout the year.
- Attend one of our upcoming conferences:

Audit Interactive

March 24-27, 2019

Hyatt Regency, Savannah, GA

AuditCon

September 15-19, 2019

Baltimore Marriott Waterfront, Baltimore, MD

- Contact ACUA Faculty for training needs.



WEBINAR MODERATOR



- Don't forget to connect with us on social media!



ACUA Distance Learning Director

Amy L. Hughes

*Director of Internal Audit
Michigan Technological University*



Service Centers: Uniform Guidance & Invoicing

Kara Kearney-Saylor, CIA, CRMA
Director, Internal Audit
University at Buffalo



So what is a Service Center?

Service centers provide specific, specialized goods or services that support the operating activities of the University.

These centers charge a fee for the goods and services provided to mostly internal customers.

Some universities and colleges may refer to a service center as a recharge center and/ or a core.





What does Uniform Guidance have to do with Service Centers ?

Service center fees are often charged to federal awards.

- Lab Animal Care
- MRI Imaging
- DNA Sequencing

Uniform Guidance Cost Principles includes, “Specialized Services Facilities”



Specialized service facilities.

(a) The costs of services provided by highly complex or specialized facilities operated by the non-Federal entity, such as computing facilities, wind tunnels, and reactors are **allowable**, provided the charges for the services meet the conditions of either paragraphs (b) or (c) of this section, and, in addition, take into account any items of income or Federal financing that qualify as applicable credits under §200.406 Applicable credits.

(b) The costs of such services, when material, must be charged directly to applicable awards based on **actual usage** of the services on the basis of a **schedule of rates** or established methodology that:

- (1) **Does not discriminate** between activities under Federal awards and other activities of the non-Federal entity, including usage by the non-Federal entity for internal purposes, and
- (2) Is designed to **recover only** the aggregate costs of the services. The costs of each service must consist normally of both its direct costs and its allocable share of all indirect (F&A) costs. Rates must be adjusted at least biennially, and must take into consideration over/under applied costs of the previous period(s).

Approved, consistent rates

Detailed Invoicing

Cost Recovery / Break Even rates



Key Risks to Consider: Uniform Guidance & Service Centers

- Overcharging Federal awards
- Billing rates result in revenue surplus
- Federally funded equipment is not tracked
- Invoices do not explicitly document rate and services provided
- Unallowable costs are used in the rate calculation



Obtain rate calculations for service center

- Confirm timely calculation of rates (within 24 months)
- Recalculate for accuracy
- Ensure that rates are calculated for cost recovery
- Ensure ONLY allowable expenses are used for rate calculations



Review billing accuracy

- Trace and agree invoices to rate calculations
- Confirm rates are correctly applied and documented
- Recalculate itemized invoices



Ensure approved service center and rates

- Confirm that your sponsored program / research accounting department has reviewed rates
- Ensure that your sponsored program / research accounting has authorized the department to act as a service center



Additional Risks

- Excessive financial losses
 - Rates are too low
 - Billing cycle is too long (quarterly or less)
- Compliance with EHS, IACUC, CFATS, IRB etc.
- Personally benefitting from the service center / Conflicts of Interest
- Inadequate monitoring of receivables
- Record retention



How can I learn more?

ACUA KICK STARTER

Service Centers

Uniform Guidance and Invoicing

https://customer.acua.org/ACUAWcm/ACUA_Kick_Starters.aspx



What is a Kick Starter?

ACUA Kick Starter is designed to help you plan and perform an audit related to a specific higher education topic.

Each Kick Starter provides a summary of key risks and controls, audit tests, common audit findings, and more.

Interested in authoring an ACUA Kick Starter, please contact me!



Additional Resources

- Service Centers: Uniform Guidance and Invoicing Kickstarter
- Uniform Guidance
- Your University / College's Service Center Policies and Procedures



Any Questions?



AUDIT Interactive

A Higher Education Collaborative Experience

March 24–27, 2019 Savannah, GA · Hyatt Regency Savannah





**Join us for
our upcoming
webinar.**





UPCOMING ACUA EVENTS

March 24-27, 2019

Audit Interactive, Savannah, Georgia

April 9, 2019

Assessing the Health of Your Institution's Student Wellness Initiatives. (Baker Tilly)