Analytical Services Procedure

1 Purpose

This procedure implements the Analytical Services Policy.

2 Procedure

Requests for Services

2.1 When a request for “analytical services” is received, the person in charge of the laboratory, or other initial contract, shall consult with the department head concerned. The department head is authorized to approve the provision of the services within the policy and guidelines.

2.2 Where a request fails the “public service” criteria, the prospective purchaser should be advised. While information may (and if possible should) be given on alternatives within the community, the use of one such service over another should not be ‘recommended by the University’ nor any evaluation made, in the name of the University, of the quality or relative merits of other services.

2.3 Where a request involves consulting, no action may be taken until the required approvals are obtained by the faculty member concerned. If these are given, services may be provided as outlined below.

2.4 Where a request fails other criteria, the purchaser should be advised accordingly.

2.5 Where a request is approved, a purchase order or other similar authority to do the work, should then be obtained. A copy of the authorization is to be provided to the Controller.

Costing

2.6 The principle underlying any method of costing and charging for services is that of full recovery of direct and indirect costs. The University does not seek to profit from the
provision of its services nor, as a result, jeopardize the special customs, sales tax or other exemptions allowed, or the claim to “public service.”

Sales Tax

2.7 If the purchasers of a service do not declare that they are exempt from sales tax (this information would appear on any purchase order or authorization) and the service or product is subject to sales tax, the Controller will add (and show) sales tax at the required rates.

Indirect Costs

2.8 Unless instructed to the contrary, the Controller will assume that indirect costs are included at the rate of 45%. The normal departmental allowance provisions will apply. The department is to inform the Controller where some higher or lower rate has been included. Higher rates may be assigned where the activity is especially demanding of high service laboratories or equipment. Lower rates may be charged to other public service institutions (hospitals or educational institutions).

Invoicing

2.9 When the work has been performed (tests, analyses, or other products completed) for delivery to the purchaser, the Controller is requested by the department to issue an invoice.

2.10 A department may request invoices for:
   a) Direct Costs plus “Indirect Costs”: the invoice will be itemized for salaries and wages, materials and supplies, etc., including the requisite indirect costs.
   b) Unit Costs: where a set charge is levied per test or per analysis. The numbers of tests plus the charge per test will be shown.
   c) Fixed Price: where a fixed price has been agreed to for the whole of the work.

2.11 Normally, all invoices will be prepared and issued by the Controller; however, where the volume of work or other requirements suggest this might better be handled through the department, the department head should discuss the proposed arrangements with the Controller.

Revenues

2.12 When payment is received, credits will be made to the department and general revenue as follows:
   a) Direct costs to the departmental revenue account or to other accounts (by line item) as required.
   b) Indirect costs to general revenue and “departmental allowances” to departmental revenue.

Special Services Accounts

2.13 Normally, separate service accounts will not be opened to handle such activities. However, where the need for a separate account may appear necessary by virtue of the volume of work or accounting requirements, the department head should discuss proposed arrangements with the Controller.
3 Parent Policy

Analytical Services Policy

4 History

April 8, 1976  Approved by the Board of Governors.

January 1, 2020  Editorial Revision. Updated format and links.