Fee for Service Manual
Non-binding draft under review

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Controller’s Department, Compliance and Accounting
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Introduction

Fee for Service (FFS) operations are established for the purpose of producing and selling goods and/or services to university departments and/or external customers. Sales must comply with the university’s mission, federal uniform guidance and the fair competition policies. *Student fee programs (Course fees, study abroad fees, mandatory fees, etc.) are not FFS programs and are therefore not subject to these policies.* Please See the Policy library for information regarding Course Fees.

Customers are categorized as either internal or external for rate and billing purposes. See definitions below:

- **Internal**: Sales of goods or services to all programs/grants/partners within the university system. These users are charged the internal rate, a reimbursement for costs incurred, and billed through Workday with an Internal Service Provider (ISP) worktag.

- **External**: Sales of good or services to non-university customers as well as students and employees of the university when purchasing goods and services for personal use and/or personal education purposes. External customers are charged a market rate and billed through Accounts Receivable.

**AUTHORIZATION**

- Prior to starting a new FFS operation, approval must be obtained by submitting rate development documentation to Compliance and Accounting for approval. The Cost Center Manager or Business Unit Manager must then submit a Create Program Request via Workday using the Create Request > Request Type> Program > New. This request must include the FFS rate development documentation.

- If an existing FFS operation plans to offer new goods or services on a recurring basis, the unit must submit the FFS rate development documentation for approval to Compliance staff for review.

**External Requirements for Authorization**

- New programs requesting to sell to external customers will have the head of the Competition Committee added as an approver to the workday request to ensure that the activity does not break the [Competition with the Private Sector Policy](#) summarized as:
  - External sales activities should (1) be related incidentally to the conduct of the ISU primary missions of instruction, research, and public service or (2) exist to provide instructional and laboratory experience for students and incidentally create goods and services that may be sold to students, faculty, staff, and the public.
  - If competition with the public sector exists and/or the FFS intends to advertise, the proposed service will be reviewed for propriety of the activity and compliance with fair competition policies. Compliance will refer the request to Director of Business Services for review and approval.
• Contracts are recommended for all external customers; however, contracts are required for any single agreements over $25,000. University Counsel provides contract templates on their website, [https://www.universitycounsel.iastate.edu/contracting/assistance](https://www.universitycounsel.iastate.edu/contracting/assistance). If using the provided templates and no essential changes have been made, the contract does not require additional review from counsel.

**Authority of managers of fee-for-service units**

• Approval to conduct activity as a fee-for-service unit with entities outside of the university constitutes a delegation of authority for the manager of the service center to enter into agreements for providing the approved services. For purposes of this policy, a "fee-for-service unit" is any unit that provides, for a fee, goods and/or services to individuals, businesses, or other entities outside the university.

• If an external entity requests an IRS W-9 of your Service Center, see the Accounting Office’s website for a template, [http://www.controller.iastate.edu/templates/universityforms.htm](http://www.controller.iastate.edu/templates/universityforms.htm).

• If a FFS cannot meet the external customer’s demand or is unable to fulfill an agreement, the FFS is not allowed to procure supplemental resources outside the university on behalf of the customer.

**RATE DEVELOPMENT**

• Standard measures for applying the rate include the following but are not limited to:
  - Per Hour
  - Per Test
  - Per Deliverable

• All revenue and expenditures included in the rate need to be accounted for within the FFS program and visible in the accounting on Workday.

**Costs to include:**

• Salaries and benefits for personnel assigned to the FFS as well as administrative personnel supporting the FFS. Make sure to only apply the portion of time assigned to the FFS operation.
  - Annual salaries and benefits eligible to include in the FFS rate should be calculated based on the spreadsheet which provides the number of annual budgeted hours per pay base.
  - A labor template is located on the Controller’s website, [http://www.controller.iastate.edu/templates/universityforms.htm](http://www.controller.iastate.edu/templates/universityforms.htm). The labor template has the annual budgeted hours and benefit rate per pay base preset.

• Supplies consumed in the FFS operations
  - Supplies need to be allocated based on actual consumption per service or product. Examples include individual lab supplies, chemicals, materials, etc.

• Anticipated repair costs (outside or above and beyond any maintenance contract)
  - These costs should be based on a proven history of specific repairs, not a best guess of unidentified costs.
  - The variance between actual and budgeted repair costs needs to be accounted for in the next year’s
rate development. If the variance would cause a major fluctuation in the rates, it may be spread over no more than 3 years. Documentation tracking the amortization is required. For example, if a FFS incurred an unforeseen repair on a piece of equipment totaling $2,000, this amount could be added entirely to next year’s budget or amortized over a longer period (up to 3 years).

- Service contracts, such as a maintenance on a piece of equipment or software licensing services
  - These expenses need to be allocated over the life of the service contract. For example, if a FFS has a 2 year service agreement for $11,500, the service contract costs for each of the 2 years would be $5,750.
  - It is recommended to avoid service contracts which exceed 5 years.
  - Please communicate this expense as a prepaid to the FSD specialist if contract is paid in full ahead of time.
- Shipping costs to send deliverable to customer
  - If the shipping costs are consistent across customers, they may be included in the per unit cost. For example, if the FFS is selling a book, the shipping cost would be consistent and appropriate to be used in a per unit price.
  - If wide cost variations exist because of volume and/or shipping location, shipping costs may be assessed to individual customers.
- Information Technology – computer costs and monthly IT charges that are necessary to the FFS activities.
  - Computer software costs for the FFS operations should be included and will be amortized over 3 years if the software expense exceeds $5,000 and the software is expected to have a useful life of at least 3 years.
- Administrative costs – travel, subscriptions, office supplies, etc. that are directly related to FFS activities.
  - An employee who is attending a seminar on a topic that benefits the FFS
  - A subscription to keep current on a specialized field of study that benefits the FFS
- Tuition – Tuition expense is allowable, but the amount must be proportionate to the graduate student’s percentage of their salary expensed on the FFS. Here is a chart for guidance, [http://www.ospa.iastate.edu/proposal/preparation/tuition](http://www.ospa.iastate.edu/proposal/preparation/tuition). Tuition expense for undergraduates is not allowed.
- Capital Improvements – Maintenance or renovation project costs for space in which fee for service units operate may be included in FFS rates if the total cost of the improvement budget is less than $100,000. Costs should not be included in the rates until the project is completed, and all costs have been incurred. Capital improvements over $100,000 are capitalized and depreciated as part of the building and the depreciation is included in the F&A calculation. The cost recovery of the improvements will need to be tracked to verify recovery does not exceed the cost expensed. These costs are not expected to be recovered in one year.

**EQUIPMENT**
- The equipment inventory system assigns a useful life to each piece of equipment, based on the asset category, and provides the estimated annual depreciation. This annual depreciation should be used in the FFS rate
- Equipment may be used in a FFS operation and included in the rate, but there are some exceptions as outlined below.
- If equipment is used for more than one service, its cost should be allocated to each service so that the total amount doesn’t exceed the equipment’s annual depreciation. For example, if equipment is used 60% of the time for service A and 40% of the time for service B, its annual depreciation cost should be allocated 60% to service A and 40% to service B.

- Fabricated equipment with a combined total cost of $5,000 or more (even if all individual components are below $5,000) must be reported to the equipment accountant for recording the asset into the equipment inventory system. See University Policy Library – Equipment Acquisition -
http://www.policy.iastate.edu/policy/equipment/acquisition

- Provide all equipment inventory tag numbers for equipment which will be used in the FFS operation when filling out the request for a new program.

- If two or more FFS programs want to purchase a piece of equipment and use the equipment in each of their FFS operations, the depreciation must be prorated accordingly. All programs need to be written into the PO or a portion of the equipment expense must be moved (via a journal) to the other program(s) using the equipment. Each FFS will need to keep detailed documentation showing what they are charging for depreciation, keeping in mind that all programs combined cannot recover more than the allowable annual depreciation.

- Any equipment funding adjustments need to be done using a journal within 90 days of the in-service date of the equipment.

- One-time exceptions will be allowed as follows: If the FFS operation has already included equipment depreciation in its rates for equipment that was not purchased on the FFS program; and if the equipment was purchased on or after July 1, 2015, the equipment can be moved using a journal to the FFS program. For proper handling of this move, please contact Compliance.

- In the case where a FFS operation determines a useful life is substantially longer or shorter than the University’s assigned useful life provided in the equipment inventory system, the FFS may be able to use an alternative useful life in their rate determination only if they receive prior approval from Compliance. To obtain approval for an alternative useful life, the FFS must provide justification based on historical experience. Any exceptions to university depreciation schedules must be documented for the life of equipment to ensure excess depreciation is not charged to internal users. Make sure that Compliance has received a copy of this documentation.
Is the use of federal equipment allowed? If so, can it be included in a FFS rate?

(Please contact the equipment accountant (see page 1) with any questions regarding the equipment inventory system)

Was equipment purchased, (in whole or in part) with federal funds?

- Yes
  - Is the award active?
    - Yes
      - Equipment use is allowed, and the depreciation portion funded by the FFS program may be included in the rates.
    - No
      - Equipment does not belong to ISU and therefore may not be used in the FFS nor included in the rates.
  - No
    - Is the equipment owner “ISU” or “COND”? The owner information is located in the equipment inventory system.
      - Yes
        - Equipment use is allowed, and the depreciation portion funded by the FFS program may be included in the rates.
      - No
        - Equipment use is allowed, however, priority on usage goes to the federal award that sponsored the equipment and other federal awards that would benefit from the equipment. Depreciation cannot be included.
**Guidelines for Internal Rates**

- FFS operations are expected to operate on a **break-even basis for internal customers**. Rates should be based on costs.
  - All internal customers must be charged the same rates for the same services provided.
- **Subsidy** – FFS operating costs which are paid by another program.
  - If a FFS receives funds to subsidize a specific cost (i.e. supplies), the projected costs will need to be reduced by the subsidy amount. The subsidy will reduce the internal rate for all internal customers. FFS subsidies are only allowed from unrestricted funds. The subsidy should be accounted for using a journal entry with revenue code, *RC10144 Internal Income-Fee for Service Subsidy*, on the Income (FFS) side of the transaction and a spend category related to the expense being subsidized on the expense (subsidizing program) side of the transaction.
  - If a department wants to subsidize the cost of an individual transaction, the cost of the service can be split between the buying program and the subsidizing program. This can be done at the time of the billing, or the subsidizing department can request their Finance Specialist create a journal entry to move costs to the program paying for the subsidy.

**Guidelines for External Rates**

- All external customers must be charged a minimum of the internal rate. If your college assesses and collects the 3% administrative fee on external sales, the external rate must also include this cost. If you are unsure of your college’s policy, contact your cost center manager.
  - The external rate for customers may include a profit. It is recommended you research what the market will bear and charge the same amount. This ensures the university is not in competition with the private sector.
BILLING

- Billing internal and external customers PRIOR to delivery of goods or services is generally not allowed.
- If 2 or more FFS programs (Program worktags) are providing goods or services to a single external customer and would like to send one invoice for the combined billing, please make sure both programs are listed for their perspective charges on the invoice.
- If more than one service exists on the program, keep track of the revenue and expenses per service for review purposes at the end of the year.
  - Using department detail (DD) worktags could assist with tracking revenue and expenses for different services offered.
- Billing invoices must include but are not limited to:
  - Date
  - Sold to [name, address, email, phone number]
  - Contact Name
  - UR Customer Number
  - Business Purpose
  - Selling Agency, which will drive Revenue Category worktag
  - Quantity
  - External Billing Rate
  - Order Number- something for the department to be able to reference

Internal ONLY – Additional Guidelines for Billing

- Internal billing must be done NO LESS than once a month. Weekly billings are strongly encouraged.
- Billings for internal sales should be done through your Finance Specialist with an integration journal.
- Internal Billing:
  - The ability to initiate IB’s requires authorization and an Internal Service Provider (ISP) worktag.
    - ISP worktag is 1:1 with a program and is requested within Workday: Create Request > Request Type: Internal Service Provider (ISP) – New.
  - Attachments should have enough billing details to fulfill university documentation needs for buyers and for audit purposes.
  - Most Internal billing uses Revenue Category RC10037 Internal Income- Miscellaneous
- If a department would like to partially fund the cost of a buying program, the FFS can bill the buying program and the supporting program.
- For example, XYZ department would like to subsidize 25% of their department’s purchases from a specific FFS operation. The FFS would bill the buying program and XYZ’s subsidizing program, allowing the FFS to recover the full cost of the service expense.
  - If the FFS does not have the ability to split a transaction, the buying department can have their Finance Specialist create a journal entry for the subsidized portion from the buying program after the charges have been incurred.
BILLING EXTERNAL CUSTOMERS

- External billing must be done **no less** than quarterly. Monthly billings are strongly encouraged.
- Access and training are required to enter invoice information into the UR system in ADIN. Access requests for administrative systems may be located at [https://iastate.service-now.com/it](https://iastate.service-now.com/it).
- External billings must use the University’s central billing system. This is completed either through manual entry in the University Receivable (UR) system in ADIN or via batch transfer. Please note that the Accounts Receivable Office sends billing statements, not invoices, monthly to customers. It is the selling department’s responsibility to create, distribute, and retain invoice details for **10 fiscal years**. An invoice template is available upon request from the Accounts Receivable Office.
- Payment should be remitted to the Treasurer’s Office for charges billed through the UR system. The mailing address may be found on the following website [Bill Payment | Treasurer’s Office (iastate.edu)](https://www.treasurer.iastate.edu/)
- Point of Sale transactions are defined as any good or service that payment, such as cash, check or Credit Card transaction, is presented at the point of sale.
- See the following websites for information regarding point-of-sale transaction:
  - [https://www.treasurer.iastate.edu/cash-management](https://www.treasurer.iastate.edu/cash-management)
  - [https://www.treasurer.iastate.edu/creditcards](https://www.treasurer.iastate.edu/creditcards)

ANNUAL RATE REVIEW

Each FFS must accomplish a rate review on an annual basis.

**Process:**

1. When it is 30 days before the review date the Cost-Center Manager (CCM) will receive a Workday notification alerting them of the upcoming review requirement for all FFS Programs under their responsibility.
2. The Cost Center Manager will be the liaison between any other responsible parties by which the FFS has, and a Compliance Accountant (see page 1 for contact).
3. The following documentation will be to be given by email to the Compliance accountant:
   a. Rate development worksheet
   b. Labor-rate worksheet
   c. Copy of Service Center Personnel Agreement (For any non-faculty working the service)
4. Documentation will be reviewed, checked for accuracy, completeness, and allowance under university, federal, and state guidelines. Corrections, or questions regarding what was provided will be followed up in a timely manner.
5. The review process is complete once the service has been determined to be operating properly and the rate used is allowable.
6. Non-compliance of this process within 90 days will ultimately result in the inactivation of the Fee for Service or Service Center, barring exceptions.

See [Appendix, item 2](#) for additional information.
Operating Surplus

- Revenue in excess of cost existing from external sales must be transferred from the FFS program into a FFS Residual (IRT1029) program annually as part of the rate review process. (FFS Residual programs are accounts to set aside the external surplus.) Documentation must be attached to the transfer to show how the amount was determined. These surplus funds do not need to be factored into on-going rate adjustments. Putting the external surplus into a FFS reserve program (IRT1029) allows the funds to be used for various purposes.
- These IRT1029 funds may be used for any allowable costs, including those that are not related to the FFS.
- IRT1029 funds must follow the same University guidelines as other discretionary programs. Any purchases must have an ISU business purpose and comply with Regents and ISU spending policies. Goods or equipment purchased with discretionary funds are the property of the University and are not personal property.
- Inactivation of Residual fee for Service accounts (IRT1029) will coincide with closure of the fee for Service account (IRT1035).

Additional guidelines for Externally selling programs

- Deficits generated should be included in the next year’s rate calculation.
- Surplus generated from external revenue can be used to subsidize rates for internal customers or transferred to a FFS residual program (IRT1029).

Here is one example how a FFS can determine their external surplus.

The FFS projected 80% external and 20% internal customers, but at the end of the year the actual percentages were 85% external and 15% internal. The market rate charged to external customers was a 60% markup over costs. For the year in review, total expenditures were $100,000. The FFS total revenue should be approximately $151,000 ($136,000 external and $15,000 internal).

\[
\begin{array}{ccc}
\$ & 136,000.00 & \text{External Revenue (100,000 x 85%) x 1.6} \\
\$ & (85,000.00) & \text{Expenditure portion of the external sales ($100,000 x 85%)} \\
\$ & (4,080.00) & \text{University 3% admin fee, if applicable ($136,000 x .03)} \\
\$ & 46,920.00 & \text{External Surplus available to be transferred to a FFS residual program}
\end{array}
\]
ACCOUNTING FOR FEE FOR SERVICE PROGRAMS
- Only services/goods that are “like and similar” should be combined in a service program. This aids with the proper calculation of rates and the allocation of surplus/deficit recoveries by program account.
  - Using department detail (DD) worktags could assist with tracking revenue and expenses for different services offered.
- Accurate accounting for program expenses and revenues is critical for tracking of accurate over/under recoveries and proper rate calculations. The following accounting practices assist in ensuring this is accomplished.
- Fee for Service programs should “match” revenue with expenditures so that a true financial picture can be obtained for the program.
- Revenue should be properly recorded as a credit in a revenue ledger account, not incorrectly booked under an expense ledger account. The practice of recording revenue as a negative expense distorts the financial statements and results in unnecessary analysis of the program to identify these entries and eliminate them from the rate calculation.
- External revenue must be recorded with a revenue category that uses Ledger account 4650. Please contact Accounting and Compliance staff if you do not know which Revenue Category to use.
- The departmental program must track usage including at a minimum: the date of the sale or service, unit cost, and total dollars charged to the user.
- Rate calculations and supporting documentation must be maintained on-file by the department and made available for review upon request by ISU Controller’s department as well as internal, state, and federal auditors.
- The department must have published rates readily available upon request. It may be recommended to publish rates online.

RECORD RETENTION
FFS operations are responsible for retaining all financial and budget records that document the development of rates for goods and services and the actual rates in effect for specified periods of time for a period of no less than 10 fiscal years. For Internal Billings, the FFS must also retain transaction detail and supporting documentation. For external sales, the FFS should retain transaction detail and supporting documentation for a minimum of 5 years. http://records.policy.iastate.edu/view.php?id=259.

DISSOLUTION OF SERVICES
When a FFS operation ceases to exist, contact Compliance and Accounting for proper method of closure. Remaining balances cannot be spent down from the FFS program, as the FFS has more restrictive guidelines outlined here:

Surplus Originating from Internal Revenue
- If surplus is less than 10% more than cost for the service provided, then it may be combined with external revenue.
- If surplus is more than 10% of associated costs for the service, then the surplus revenue will need to be refunded to the customers on a pro-rata basis.
Surplus originating from External Revenue

- Surplus revenue, or the profit between the internal activity and the external activity will need to be transferred to a Residual Fee for Service account (see Operating surplus).
- Once the Residual account has been spent of its funds fully the corresponding ISP may be inactivated.

Program Deficit

- The remaining amortization (remaining expense) of an equipment purchase must be moved to a department level program.
- If expenses were not matched to revenue, then expenses should be moved to a department level program.
Appendix

1. **Example of a simple Rate development for a Fee For Service offering a single service.**

   The unit of measure is based on hours.

   There are 2 employees working on the FFS, Joan at 50% and Aiden at 10%, totaling **1,012.8 annual hours** (see the labor table below, rates may change).

   The current market rate $30/hour based on current market conditions.

   Total cost to break even, $14,641.45 ($18,399.00 expenses + $55,142.29 salaries/benefits).

<table>
<thead>
<tr>
<th>Estimated Expenses</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor - Per hour (see table below for calculation)</td>
<td>$54.45</td>
</tr>
<tr>
<td>Supplies</td>
<td>$6,789.00</td>
</tr>
<tr>
<td>Maintenance Contract on Equipment #123457 $2,700</td>
<td>$1,350.00</td>
</tr>
<tr>
<td>for a 2-year contract</td>
<td></td>
</tr>
<tr>
<td>Shipping Costs</td>
<td>$2,198.00</td>
</tr>
<tr>
<td>Depreciation (annual)- Equipment tag #123456</td>
<td>$4,250.00</td>
</tr>
<tr>
<td>Total expense (excludes labor and benefits)</td>
<td>$14,641.45</td>
</tr>
</tbody>
</table>

   **Estimated Expenses**
   - **Labor - Per hour (see table below for calculation)**: $54.45
   - **Supplies**: $6,789.00
   - **Maintenance Contract on Equipment #123457 $2,700**: $1,350.00
   - **Shipping Costs**: $2,198.00
   - **Depreciation (annual)- Equipment tag #123456**: $4,250.00
   - **Total expense (excludes labor and benefits)**: $14,641.45

   **Rate**
   - **Internal Rate - cost**: $14.46
   - **Market Rate**: $30.00
   - **University 3% administrative fee for external customers**: $0.90
   - **External Rate**: $30.90

   **Example of Pooled Average Labor Model**: Calculates an average labor rate and is applicable when multiple people with varying labor rates provide the same service but it makes no difference which employee provides the service.

   *All items in the gray colored cells will need to be populated. (Employee Name, Pay Base, Salary, Benefit Rate, and % of time/service.)*

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Pay Base (Select from Dropdown)</th>
<th>Salary</th>
<th>Benefit Rate %</th>
<th>Total Salary &amp; Benefit</th>
<th>Time committed to FFS</th>
<th>Non FFS Work</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joan Clark</td>
<td>P Base (Full-time P&amp;S)</td>
<td>72,500</td>
<td>14.00%</td>
<td>97,513</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Budgeted Hours/Service</td>
<td>836</td>
<td>836</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Per Hour Rate</td>
<td>56.44</td>
<td></td>
</tr>
<tr>
<td>Aiden Matthews</td>
<td>Full-time E Merit (ISU employee for 1-4 years)</td>
<td>43,800</td>
<td>45.80%</td>
<td>63,860</td>
<td>10%</td>
<td>90%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Budgeted Hours/Service</td>
<td>127</td>
<td>1,591</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Per Hour Rate</td>
<td>36.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total Budgeted Hours/Service</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,012.80</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>$166,300.00</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$161,372.90</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total Faculty Salary &amp; Benefits/Service</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$55,142.29</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Per hour rate</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$54.45</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 2. Example for Annual Rate Review

Any deficit or surplus generated at year-end needs to be included in the next year’s *internal* rate budget:

<table>
<thead>
<tr>
<th>Year 1 Budget</th>
<th>Year 1 Actual</th>
<th>Year 2 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses:</td>
<td>Revenue:</td>
<td>Expenses:</td>
</tr>
<tr>
<td>Salary</td>
<td>12,000.00</td>
<td>Salary</td>
</tr>
<tr>
<td>Supplies</td>
<td>500.00</td>
<td>Supplies</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,000.00</td>
<td>Depreciation</td>
</tr>
<tr>
<td><strong>Projected Expense</strong></td>
<td><strong>14,500.00</strong></td>
<td><strong>Projected Expense</strong></td>
</tr>
<tr>
<td>Estimated use is 150 tests</td>
<td>Estimated use is 180 tests</td>
<td></td>
</tr>
<tr>
<td>Price per test</td>
<td>96.67</td>
<td>Price per test</td>
</tr>
<tr>
<td><strong>Internal Surplus</strong></td>
<td><strong>1,233.33</strong></td>
<td><strong>Internal Surplus</strong></td>
</tr>
</tbody>
</table>

|          | | |
|----------|----------|
| Subtract Prior Year Internal Surplus | **1,233.33** |
| New Projected Expense | **15,941.67** |

|          | | |
|----------|----------|
| Estimated use is 180 tests | |
| Price per test | 88.56    |