Putting the business side of your operation in order

Business management

"the customers perception of the transaction is that value has been gained" What Influences that Perception?

Quality Management
Marketing
Business Management
Information Economics

Managerial Accounting

- Rate and volume analysis
- Business metrics development
- Price modeling
- Product profitability
- Geographic vs. Indústry or client segment reporting
- Sales management scorecards
- Cost analysis
- Cost–benéfit analysis
- Cost-volume-profit analysis
- Life cycle cost analysis

- Client profitability analysis
- IT cost transparency
- Capital budgeting
- Buy vs. lease analysis
- Strategic planning
- Strategic management advice
- Internal financial presentation and communication
- Sales forecasting
- Financial forecasting
- Annual budgeting
- Cost allocation

Need for Managerial Accounting



Who would you rather do business with?

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CATEGORY	BATCHNAME	ACCOUNTINGDATE	TRANSACTIONDATE	ACCOUNT	DEBITAMOUNT	REFERENCE1
SERVICECENTER DC	Cell Analysis BW	6/21/11	2/21/11	92.048.220319.960019.0000.7789	25	1115311 - Canto - Approved
SERVICECENTER DC		6/21/11		92.048.220319.960019.0000.7789		1116210 - Canto - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11		92.048.220319.960019.0000.7789	50	1119611 - Canto - Approved
SERVICECENTER_DC		6/21/11		92.048.220319.960019.0000.7789		1120312 - Canto - Approved
SERVICECENTER DC		6/21/11	3/24/11	92.048.220319.960019.0000.7789	25	1121056 - Canto - Approved
SERVICECENTER DC		6/21/11	3/25/11	92.048.220319.960019.0000.7789		1121399 - Canto - Approved
SERVICECENTER DC		6/21/11		92.048.220319.960019.0000.7789		1122147 - Canto - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	3/31/11	92.048.220319.960019.0000.7789	50	1122499 - Canto - Approved
SERVICECENTER DC		6/21/11	4/4/11	92.048.220319.960019.0000.7789	37.5	1123251 - Canto - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/7/11	92.048.220319.960019.0000.7789	33.33	1124109 - Canto - Approved
SERVICECENTER_DC		6/21/11	4/12/11	92.048.220319.960019.0000.7789	50	1125331 - Canto - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	4/18/11	92.048.220319.960019.0000.7789	25	1126415 - Canto - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	4/18/11	92.048.220319.960019.0000.7789	50	1126416 - Canto - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/17/11	92.048.220433.960019.0000.7789	25	1126341 - Canto - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/18/11	92.048.220433.960019.0000.7789	50	1126428 - Canto - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/21/11	92.048.220433.960019.0000.7789	25	1127629 - Canto - Approved
SERVICECENTER_DC		6/21/11	4/27/11	92.048.220433.960019.0000.7789	25	1128934 - Canto - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/27/11	92.048.220434.960019.0000.7769	56.25	1134807 - Aria - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/27/11	92.048.220434.960019.0000.7769	150	1134891 - Sterile Sorter Setup - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	4/29/11	30.058.220430.594000.0000.7817	17.5	1129426 - Calibur - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/3/11	30.058.220430.594000.0000.7817	17.5	1129997 - Calibur - Approved
SERVICECENTER DC		6/21/11	5/6/11	30.058.220430.594000.0000.7817	8.75	1130974 - Borscan - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/10/11	30.058.220430.594000.0000.7817		1131586 - Calibur - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/12/11	30.058.220430.594000.0000.7817	17.5	1131905 - Calibur - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/17/11	30.058.220430.594000.0000.7817	105	1132624 - Calibur - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/25/11	30.105.200089.594000.0000.7819	112.5	1128296 - Aria - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/27/11	30.105.200089.594000.0000.7819	281.25	1128914 - Aria - Approved
SERVICECENTER DC		6/21/11	4/27/11	30.105.200089.594000.0000.7819	262.5	1128915 - Aria - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	4/28/11	30.105.200089.594000.0000.7819	187.5	1129180 - Aria - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/2/11	30.105.200089.594000.0000.7819	112.5	1129838 - Aria - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/2/11	30.105.200089.594000.0000.7819	187.5	1129841 - Aria - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/9/11	30.105.200089.594000.0000.7819		1131346 - Sterile Sorter Setup - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/10/11	30.105.200089.594000.0000.7819	150	1131585 - Sterile Sorter Setup - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/12/11	30.105.200089.594000.0000.7819	300	1131875 - Aria - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/13/11	30.105.200089.594000.0000.7819	75	1132283 - Aria - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/13/11	30.105.200089.594000.0000.7819	150	1132286 - Sterile Sorter Setup - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/17/11	30.105.200089.594000.0000.7819	150	1132850 - Sterile Sorter Setup - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/19/11	30.105.200089.594000.0000.7819	150	1133342 - Sterile Sorter Setup - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/10/11	30.108.287057.594000.0000.7819	35	1131552 - Calibur - Approved
SERVICECENTER DC	Cell Analysis BW	6/21/11	5/10/11	30.108.287057.594000.0000.7819	17.5	1131587 - Calibur - Approved
SERVICECENTER_DC			5/12/11	30.108.287057.594000.0000.7819	35	1131984 - Calibur - Approved
SERVICECENTER DC		6/21/11		30.108.287078.594000.0000.7817		1132455 - Canto - Approved
SERVICECENTER_DC		6/21/11		30.110.286051.594000.1188.7819		1131392 - Canto - Approved
SERVICECENTER_DC		6/21/11		30.111.200080.594000.0000.7819		1131860 - Calibur - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/13/11	30.111.200080.594000.0000.7819	17.5	1132176 - Borscan - Approved
SERVICECENTER_DC	Cell Analysis BW	6/21/11	5/18/11	30.111.200080.594000.0000.7819	35	1132946 - Borscan - Approved

Areas to improve

- Business planning
- Cost accounting
- Rate Documentation
- Budgeting
- Depreciation
- Day to day business
- Regulatory Environment
- Record Data and Sample Retention

Cost Accounting

- Compensation
- Supplies
- Service
- Rent
- Variable vs. Fixed Costs
- Marginal Costs
- Opportunity Costs

COMPENSATION

- 6012 SAL FACULTY REG Tenured TenureTrack
- 6013 SAL FACULTY REG NonTenTrack w Benft
- 6140 SAL EXEMPT STAFF
- 6144 SAL EXEMPT
- 6145 SAL EXEMPT STAFF Regular Staff
- 6160 SAL NONEXMPT STFF REG
- 6163 SAL NONEXMPT STFF REG Non Union
- 6500 FB DEPT CHARGES Benefits
- 6501 FB DEPT CHARGES Benefits
- 6505 FB DEPT CHARGES Benefits
- 6511 FB DEPT CHARGES Benefits

OTHER EXPENSES

- 7116 EQUIP 2500 to 24999 Laboratory
- 7266 MAINT EQUIP Laboratory
- 7269 MAINT EQUIP Office
- 7272 MAINT EQUIP Specialized
- 7315 MAINT CONT EQUIP Laboratory
- 7471 SUPPLIES LAB Chemical Gases
- 7472 SUPPLIES LAB Chemicals Reagents
- 7473 SUPPLIES LAB Disposables
- 7501 SUPPLIES Bottled Beverages Water
- 7503 SUPPLIES Food and Beverage
- 7505 SUPPLIES Computer Software
- 7511 SUPPLIES Office
- 7512 SUPPLIES Photocopying and Printing
- 7513 SUPPLIES Posters and Flyers
- 7533 BOOKS PUBLCTN Subscriptions
- 7571 CAP EQUIP OVR 25K Scientific
- 7682 POSTAGE FRGHT SHIP Freight
- 7723 PROF FEES CONTRACTOR General
- 7774 PUR SRVCS OTHR Moving and Delivery
- 7778 PUR SRVCS OTHR Printing External

- 7789 PUR SRVCS OTHR Other Services
- 7818 SERVICE CTR Hazardous Waste Dispose
- 7821 SERVICE CTR Mailing Services
- 7823 SERVICE CTR Repair Shops
- 7853 INT DEPT Copying and Printing
- 7855 INT DEPT Fees
- 7863 INT DEPT Sales
- 7875 INT DEPT Computer Equip less 2499
- 7877 INT DEPT Computer Software
- 7879 INT DEPT Maintenance Contracts
- 7883 INT DEPT Repayment
- 8141 TRAVEL DOMESTIC Air
- 8142 TRAVEL DOMESTIC Ground
- 8143 TRAVEL DOMESTIC Lodging
- 8144 TRAVEL DOMESTIC Meals
- 8151 NONTRAVEL Meals Local
- 8161 CONFERENCE Registration Fees
- 8643 DEBT SERV PRIN Capital Asset Loan
- 8703 DEP Depreciation Service Center
- 8704 DEP Depreciation Lieu of Debt Srvc

Rate Calculation

- Total Compensation (from above)
- Prior Year (surplus)/deficit
- Prior Year Inventory
- Billable Admin Time
- Total Billable Expenses
- Projected Number of units
- Actual Cost per unit
- Current rate per unit
- Projected rate increase
- New Rate
- Projected income (New Rate)
- Subvention
- (Surplus)/Shortfall Subvention-NCCC Net

Excel Book

- Salaries % effort process
- Service Contracts 100%
- Inventory -
- Admin Time % tine dedicated to administration
- Subvention All forms(direct salaries etc.)
- Rate Calculation Cost of the service
- Budget

Business Plan Lite for Core Facilities

Business Plan Exercise



Maintenance Contracts

- Manufacturer
- Alternative instrument specific vendors
- Comprehensive vendors
- Self Insuring
- Institutional Support
- In Lab Knowledge
- What is Included

Depreciation (Funded)

- \$350,000 instrument cost
- \$250,000 from Grant funds
- \$100,000 from other non-government funds
- Depreciate \$100,000 over 5 years
- 50,000 samples per year
- 5years x 50,000 samples= 250,000 samples
- Adds about \$0.40 to rate
- At the end of 5 years = \$100,000

Regulatory Environment

Office of Management and Budget
Institutional Interpretation
Funding Agency
Institutional Regulations

Understanding A-21

Facilities Cost Administrative Cost Sec J 47 Core Facilities

OMB Circular A-21 Section J 47

a. The costs of services provided by highly complex or specialized facilities operated by the institution, such as computers, wind tunnels, and reactors are allowable, provided the charges for the services meet the conditions of either subsection 47.b. or 47.c. and, in addition, take into account any items of income or Federal financing that qualify as applicable credits under subsection C.5. of this Circular.

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 against federally supported activities of the institution, including usage by the institution for internal purposes, and

(2) is designed to recover only the aggregate costs of the services. The costs of each service shall consist normally of both its direct costs and its allocable share of all F&A costs. Rates shall be adjusted at least biennially, and shall take into consideration over/under applied costs of the previous period(s).

c. Where the costs incurred for a service are not material, they may be allocated as F&A costs.

d. Under some extraordinary circumstances, where it is in the best interest of the Federal Government and the institution to establish alternative costing arrangements, such arrangements may be worked out with the cognizant Federal agency.

Cost Allowability Guidelines

- Reasonable: "incurred by a prudent person", "necessary for the operation"
- ✓ Allocable: "benefits received"
- ✓ Allowable: Circular, Iaw, T&C, Iocal reg.

Day to Day Operations

- Is it difficult to make a purchase?
- Is the experience pleasant?
- Is it the same for everyone?
- How do you make data available?
- Do you make billing errors?

Billing

Timely Accurate Informative System for Challenge

Sample, Data and Record Retention

Institutional policy
Data - Dartmouth OSP 3 years
Sample – core facility policy
Records billing etc. – 7 years

Choosing Business Management Software

- Cost Is it cost effective
- Flexibility will it fit all Shared Resources
- Adaptability Work with Institutional System
- Comprehensive Do All or just Some
- Control Where is the System Based
- Remember You are the Customer

Customer Interactions

Are you customers informed

Ordering Process
Sample Preparation
Data Collection
Billing