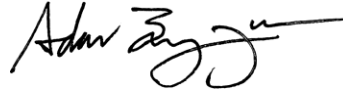


MEMORANDUM

TO: Deans, Vice Chancellors, Vice Provosts, and Associate Vice Chancellors

FROM: Adam Brueggemann, University Budget Director



SUBJECT: Administrative Service Charge (ASC)

DATE: February 10, 2025

All university level administrative services such as information technology, human resources, payroll, accounting, budget, materials management, and executive management are budgeted in and paid from the Academic Affairs budget code (16030). The ASC is assessed to auxiliary and trust units with eligible projects in the range of 35XXXX – 399999 and is intended to reimburse the University for general administrative costs incurred by the University to support operational infrastructure.

NC State's ASC continues to be less than similar charges assessed at our peer institutions. The approved rate is 4% of the prior year's expenditures on eligible projects in the aforementioned range. However, depending on the organizational structure of the entity, the ASC could be calculated using a 3-tier template in lieu of the flat percentage rate.

- Tier 1: net expense base less than \$10,000,000, the ASC will be 4%
- Tier 2: net expenses between \$10,000,000 and \$25,000,000, the ASC will be 2%
- Tier 3: net expenses greater than \$25,000,000, the ASC will be 1%

Expenses identified as purchases for resale (account 52700), debt service payments (account 57910), and cash transfers (account 58XXX) are excluded from the total prior to calculating the assessment. In addition, the ASC and Tort assessments from the previous year are excluded from the calculation. The following public query is available in reporting for your convenience: BUD_ASC_ASSESSMENT_BY_UNIT.

Charges to internal customers are excluded from service centers. Through a query process, the Office of F&A Analysis calculates the internal revenue on all self-supporting service centers that have an approved rate. The internal revenue percentage is then deducted to reduce the expense base for ASC billing.

The charge is posted to account 53616 of the self-supporting project to which the expenses were booked. Moving the ASC assessment to a non-UL-3 project is prohibited. Please contact Michelle Van Rhyn (mevanrhy@ncsu.edu) if you have any questions.