



Equipment Billing Rate Guidance

Purpose: Departments on campus may choose to allow researchers from Cleveland State or from outside CSU to use university-owned equipment for a fee. The Office of Research is providing this guidance to assist with establishing equipment billing rates. Any department that charges federal grants for services or equipment use is subject to cost principles and cost accounting standards as outlined in [OMB 2 CFR Part 200, Uniform Guidance](#).

Key Compliance Requirements for Equipment Rates

- Rates should recover only the cost of the good or service (i.e., should not turn a profit)
- Rates must break even over time (not annually)
- Rates cannot discriminate between internal and federal users (i.e., you must charge the same rate to a student, a user with no external funding, or a user with a federally funded project)
- The responsible department must maintain a published price list
- Capital equipment purchased from sponsored awards may be subject to additional sponsor restrictions - review the agreement to ensure user fees are allowable

What Can Be Included in Equipment Rates

- Salaries and benefits of staff directly providing the service
- Materials costs
- Contracted services
- Equipment lease or rental
- Repairs and machine supplies
- Other directly related expenses

Equipment costs must be spread over the useful life (instead of one year) if the cost is greater than \$5,000.

What Cannot Be Included in Equipment Rates

- University indirect costs (however, **indirect costs can be charged to external users**)
- Bad debt
- Depreciation of equipment purchased with federal funds

In short, if it can't be directly charged to a grant, it is not allowable in the equipment rate for internal users or for federal grants.

Review process: Consult with the Office of Research when you decide to charge for the use of university-owned equipment. Rates charged to internal users, federal grants, and external users must be updated by departments and approved by CSU's Office of Research a minimum of every 2 years (annually is preferred).

Intellectual property: There should be **no** IP terms in any agreement with an external user.

Long term maintenance: Equipment fees should help defray the cost of equipment maintenance. If fees do not cover all these costs, the department should plan for the costs of sustaining the equipment.

Contact: For questions regarding this guidance, contact [Ben Ward](#) in the Office of Research.